

Management and Industrial Engineering

Carolina Machado
J. Paulo Davim *Editors*

Organizational Behaviour and Human Resource Management

A Guide to a Specialized MBA Course

 Springer

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Editors

Organizational Behaviour and Human Resource Management

A Guide to a Specialized MBA Course

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Preface

It is common to hear from managers, CEOs, engineers, and all kind of professionals that human resources (HR) are the key strategic issue and a source of competitive advantages of all organizations. Indeed, issues related to organizational behaviour and human resource management are among the most relevant decisions that managers need to take if they want to answer proactively to the challenges faced by the organizations. An organization cannot build a good team of working professionals without good human resources. Recruiting people, training them, implementing effective performance appraisals, promoting career management, motivating employees, implementing good workplace communication, safety, and labour conditions, among others, are only some of the key functions of the human resource management. Having the necessary knowledge about all these practices and policies of human resources management is one of the most concerns that all professionals who need to deal with their collaborators have. At this level, strong interpersonal skills are needed. Having an MBA can be the answer. However, due to time and money constraints, not always these professionals are able to obtain a MBA. Not only the time and schedule needed to obtain the MBA is not compatible with their professional availability, but also the prices established by the most reputable business schools are not accessible to these professionals. Conscious of this reality, and after a earlier book edition entitled *MBA—Theory and Application of Business and Management Principles*, in which we looked to focus some of the “core” curriculum of subjects usually present in an MBA programme (e.g. marketing, human resources, accounting, and finance), this present book, focusing on particular emphasis subjects such as strategic and operational human resource management, organizational behaviour, training and development, equal opportunities and diversity management, international human resource management, talent management, corporate social responsibility, sustainable HRM, among others, looks to give the “core” curriculum of subjects usually present in an MBA programme specialized in *Organizational Behaviour and Human Resource Management*. Based on the “core” subjects presented in this book, everyone interested will be able to obtain the necessary knowledge that can be applied as a whole to a variety of real-world business situations related to organizations’ HR or

from a particular viewpoint that will allow them to follow their own personal or professional interests. Covering the main key HR issues needed to obtain a better organizational and business performance, the lecturers of this book, according to their interests and availability, and without costs, will be able to obtain the skills and knowledge subjacent to an MBA that will prepare them to pursue a career in a variety of working fields. In other words, and taking into account those constraints, this book will be designed to move the lecturer closer to his/her career goals while still allowing him/her to maintain a work/financial limitations/personal availability balance.

Also providing a support to academics and researchers, the book focusing the latest developments and thinking in what concerns the most recent research activity provides discussion and the exchange of information on principles, strategies, models, techniques, methodologies, and applications in the OB&HRM field.

Following these aims, this book looks to cover the field of *Organizational Behaviour and Human Resource Management* in eight chapters. So, the first chapter focuses “[A Symbiotic Relationship: HR and Organizational Culture](#)”, and the second chapter discusses “[Teachable Moments in Human Resource Management: National Culture, Organizational Culture, and Intersectionality](#)”. The third chapter covers “[The Power to Change a Social System](#)”, while the fourth chapter contains information about “[Diversity and Inclusion in the Workplace](#)”. The fifth chapter speaks about “[Management of \(Business\) Expatriates](#)”, and the sixth chapter deals with “[Global Talent Management](#)”. Finally, “[Theoretical Models of Human Resource Management: The Anthropological Model as a Full Model to Manage Human Resources](#)” is discussed in the seventh chapter and at the same time that “[Training and Development of Human Resources: A Brief Contribution to a Better Understanding of Its Relevance](#)” is presented in the eighth chapter.

Designed to increase the knowledge and effectiveness of all those interested in the *Organizational Behaviour and Human Resource Management* field, this book is an excellent tool able to contribute to a continual success of their careers in the different areas of the society such as university research and activity (at the post-graduate level), business, engineering, private and public sectors, profit and non-profit organizations.

The editors acknowledge their gratitude to Springer for this opportunity and for their professional support. Finally, we would like to thank all chapter authors for their interest and availability to work on this project.

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A Symbiotic Relationship: HR and Organizational Culture

Nick Chandler

Abstract The main aim of this chapter is to provide insight into how HRM activities (e.g. reward management, performance management, recruitment and selection) can affect organisational culture and how organisational culture, in turn, can affect the approaches to HRM activities, with a special emphasis on the operational perspective of HRM. Once we have considered these two areas and a case study example, we consider the challenges of a fragmented culture and the importance and need for HR department to be proactive by conducting a cultural audit of their organisation.

1 Introduction

HRM is concerned with humans as a resource and organisational culture is concerned with the values, norms and beliefs of the people within the organisation. There is a ‘human link’ between organisational culture and HRM issues as seen the definition of culture put forward by Hofstede [1] defines culture as: “*Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture in this sense is a system of collectively held values*” is contrasted with Armstrong’s [2] focus of HRM on “*the people working here who individually and collectively contribute to the achievement of its objectives*”. A *Fortune* magazine article by Charan and Colvin [3] led with a provocative cover—“Why CEOs Fail” and indirectly highlighted the importance of culture in organisations. Strong cultures enhance organizational performance by appealing to their higher ideals and values, resulting in higher levels of commitment and effort [4] and providing identity and meaning [5]. Such cultures also help shape and coordinate employees’ behaviour [6].

Managing the employees of any organization is the territory of Human Resource Management, and yet, the values, beliefs and behaviours of those same employees

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constitute the organizational culture. This chapter will consider the effect of the HR function on organizational culture, and vice versa.

We will start by looking at the importance of organizational culture with both theoretical and practical perspectives. Then we will examine how HR functions have an impact upon organizational culture, with the use of a case study. We then consider how organizational culture, in turn, may shape the activities and approaches adopted by HR, with case examples and a particular focus on the issue of person-organization fit.

2 The Effects of Organizational Culture

In the business world, organizational culture is a seemingly tireless topic. Peters and Waterman [7] wrote about the top Forbes 500 companies having a strong organizational culture as one of the secret ingredients to success through heightened organizational performance. Later in 2001, Peters admitted that the wrong companies had been chosen as they no longer were successful, such as Atari and Wang,¹ and organizational culture seemed to take a back seat. A decade on and organizational culture is once again being cited as the key to business success. Take the example of Zappos. The founder of the company, Tony Hsieh, believed (and still does) that an organization needs to be built around the organizational culture and then success is pretty much inevitable. He sees culture as responsible for the failure of his previous business. He has a policy that if during the early days and weeks of induction training the new employees don't feel that they are prepared to commit to the 'Zappos way of working' then they are paid 2000 dollars to leave. This way, Hsieh ensures that only the employees that buy into the culture remain. The offices are littered with signs and symbols of the company's core values. Hsieh even has a salary barely above his follow employees, such is his commitment to culture first. Thus, it seems that organizational culture laps upon the shore of the business world from time to time but never remains in the focal centre.

Culture isn't only seen in light of organization success, it also is seen as the cause of business failures. In the case of mergers, organisational culture is one of the biggest, if not the biggest, obstacle to merger success. Looking back at the cases of Daimler and Chrysler, AOL and Time Warner and Pharmacia and Upjohn, we see culture as the cause of conflict and failure in terms of both national and organisational culture differences.

If we look beyond cases in the business world, we also see the key role of organisational culture in theory. The saying 'culture has strategy for breakfast' is often attributed to the Godfather of Management, Peter Drucker. Regardless of the true source, the point is well made. Many textbooks show the relationship between strategy and culture with a grid as follows (Fig. 1), adapted from Pearce and Robinson [8]:

¹<https://www.fastcompany.com/44077/tom-peterss-true-confessions>.

		POTENTIAL COMPATIBILITY OF CHANGES WITH EXISTING CULTURE	
		High	Low
CHANGES IN KEY ORGANISATIONAL FACTORS THAT ARE NECESSARY TO IMPLEMENT THE NEW STRATEGY	Few	Synergistic – focus on reinforcing culture	Manage around the culture
	Many	Link changes to the basic mission and fundamental organisational norms	Reformulate strategy or prepare carefully for long-term difficult change

Fig. 1 The strategy-culture relationship

If we consider this figure from a culture perspective then how does culture adapt to strategy? The answer is it doesn't really. The options are to reinforce the culture, link the strategic changes to existing norms and the mission, manage around the culture, or change the strategy. The caveat in box 4 is that if changing the culture is considered, then the organisation and its management should be prepared for long-term difficult change.

In summary, we can now see that culture is a key consideration in any organisation from both a theoretical and practical point of view. Whether it is seen as the key to success or not, it should not be overlooked and this applies to all areas of the organisation. The following section will look at how the HR department has a role to play in the development and reinforcement of values and norms in an organisation's culture.

3 HR's Role in Managing Culture

Many of the areas in which fit is maintained in the organisation are those traditionally seen as within the scope of HR functions. Zappos takes the induction course as an extension of the selection process. The theoretical backing is based on 'Attraction—Selection—Attrition', although the attrition stage whereby an employee voluntarily leaves as they do not fit into the environment takes place at Zappos much earlier—in only the induction course that occurs in the first weeks of work for new employees. Pay structures are set to promote equality rather than hierarchy and again, attention to these structures often falls within the realm of HR practitioners.

HR also has a role to play in organisations when change is planned. This especially true in the case of visionary leadership. Conley et al. [9] call visionary leadership 'an internal compass', providing direction for all areas of the organisation. Fritz [10] develops this concept and points out that organizations advance when a clear, widely understood vision creates tension between the real and the

ideal, pushing people to work together to reduce the gap. However, this doesn't happen by itself: HR has to manage these people and help provide the resources and circumstances whereby staff have the time and means to work together and make the leader's vision into a reality. The following case study looks at how a visionary leader has that 'Eureka moment' and wants to change the entire organisation's culture, with the use of the HR department:

3.1 Company Profile

Husky Injection Molding Systems Ltd. was founded in 1953 and is the world's largest brand name supplier of injection molding equipment and services to the plastics industry. The company's headquarters are based in Bolton, Ontario. The company designs and manufactures a broad range of injection molding machines, moulds and integrated systems. With one of the broadest product lines in the industry, customers use Husky equipment to manufacture a wide range of plastic products such as bottles and caps for beverages, containers for food, automotive components, and consumer electronic parts. The Company has specific focus on making customers' operations more productive, tying directly into its mission of "keeping our customers in the lead". Husky has a sales and service network consisting of more than 40 offices worldwide, as well as manufacturing facilities in Canada, the United States, Luxembourg and China.

With around 3,000 employees and revenue in 2009 of \$1 billion, it is admittedly an unlikely contender for the entrepreneurial school. However, when considering the company profile within the context of the entrepreneurial school, the leader is also a necessary consideration. The Company was incorporated in 1953 by Robert Schad, Husky's President and Chief Executive Officer. Robert Schad is the Company's largest shareholder and as at October 24, 2003 exercised voting control over 51.42% of the issued and outstanding Common Shares.

In 1997, Husky launched a strategic initiative to transform itself from a niche player into a broadly based supplier to major markets, such as automotive, technical, medical and general plastic products. The goal of this initiative was to respond decisively to competitive challenges from lower cost generic producers and to create a base for future growth. In order to achieve this transformation, from 1997 to 2003 the Company invested in excess of \$575 million in capital and product development. This program has meant significant change in almost every area of Husky. It has included: developing a completely new product line for broader markets; increasing the Company's lead in the PET market through further innovation; improving manufacturing efficiency and expanding capacity; and strengthening the global service and sales organization to market a broader range of products.

3.2 The Visionary Leader

The visionary leader in this company is Robert Schad, the original founder, president and majority shareholder. Both of these factors indicate that he has significant power over the company, however, when analysing current literature concerning the company, there is more to this visionary leader. He also has significant experience, having been in the industry for more than 5 decades and has knowledge extending way back to when the use of mouldings and plastics was first introduced and later was in demand.

3.3 Organisational Culture at Husky

From the company's beginning in 1953, Robert Schad has been the key instigator behind the development of strategy at Husky. Robert Schad is referred to as the "type of man who asks himself, what can I personally do to help improve the state of the world?" [11]. Schad then develops this question and applies it to the company as if it is an extension of himself by asking "How can Husky, as a company, make a contribution to society?" [12]. In this case study, this is demonstrated in the core values that have been developed and which deeply influence corporate strategies on a corporate, business and operational level, business practices and staff behaviour:

- Make a contribution
- Proactive environmental responsibility
- Passion for excellence
- Uncompromising honesty
- Bold goals

3.4 HR and a Values-Driven Culture

The resources are configured to uphold these core values and competences are developed as can be seen in the employment policy: at the interview stage staff is informed about these core values and selected on the basis of 'fit' into the corporate culture. These values are then reinforced with various social activities, bonuses and incentives so that as a resource, the human factor presents itself as a competitive advantage in that the entire culture is behind Robert Schad, the visionary leader at the top.

The strategic options for Husky are severely limited due to this adherence to its core values. The 'fit' between the external environment and internal resources normally associated with the strategic positioning of a firm, seem in Husky's case to

have been extended so that the ‘fit’ is between the company’s core values and the internal resources/external resources. The resources are developed as a means of achieving these core values and even the competitive environment has to bend to these core values. For example, Husky even places demands on suppliers as well as customers to uphold these core values.

Although there is a high stress on values and the development of a values-driven culture within the organisation, it needs to be emphasised here that the introduction, development and reinforcement of these values are all part of Schad’s vision. This is achieved through a number of HR functions. First of all, the reason for the change of culture and the essence of Schad’s vision is well-known to all employees. The new culture’s values are reinforced and less resistance is experienced through the use of this story:

Mr. Schad owns a cottage...in Ontario. In order to get to his cottage, he drives through the Moose Deer Point First Nations reserve. He noted the conditions that the Moose Deer Point people were living in were very poor and there did not appear to be many lucrative employment opportunities on the reserve. On one particular trip, his car broke down. A young man from the local community came to his assistance and did an excellent job repairing the car. Mr. Schad was touched by the young man’s generosity and gave some more thought to what, if anything, he could do to reach out to this community [13].

The HR department also developed a number of employee programs to reinforce these core values. An example of the employee programs is the ‘GreenShares’ program. Staff is encouraged to come up with their own ideas and be proactive in four key areas, in return for which they earn shares in Husky. The four areas are as follows: responsible commuting to work; conserving energy and resources; volunteering for environmental, community or educational causes; and “Greening” the environment through personal purchases. Although these may be small steps, they appear to be aimed at encouraging pro-active and innovative thinking Thinking

Another area in which HR at Husky has altered to encourage a new culture in line with leader’s vision is in recruitment. When a facility was finally completed in 2001, all employees were residents of the First Nation Community. The very community that inspired Schad with his vision in the first place. This means that not only is Husky helping the community, but reaps the benefits of the employees having a strong local knowledge and are easily moulded into the corporate culture, going along with Schad’s corporate vision. As all dividends are reinvested into the community, the outcome is likely to be a fairly well-committed workforce providing significant competitive advantage—even though this was not an objective of Schad’s.

3.5 Outcomes of HR Intervention at Husky

Through the various employee programs, approaches to recruitment and selection and commitment to the vision, the workforce embraced the new culture and Husky estimates that as much as \$8 million was saved in reduced absenteeism,

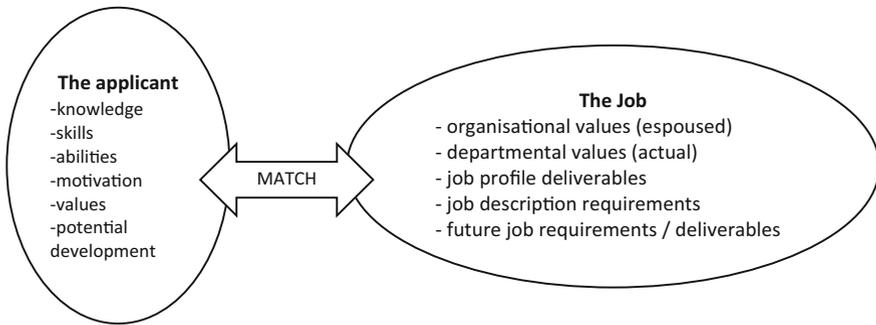


Fig. 2 The applicant fitting the job

higher productivity and better use of resources, from a \$4 million investment.² For example, in 1999 absenteeism rates were 2.25 days per employee per year, compared to the Canadian average of 5.7 days and annual employee drug costs were \$153 in 1997, compared to a sectoral average of \$495.

This cases study indicates some of the functions that may be used by HR managers and experts to ensure employees fit the organisational values when they are first selected and recruited, and that these values are reinforced through reward management and the use of myths (cultural stories). The approach of selecting staff that not only have the suitable motivation, knowledge, skills and abilities (and potential for further development or jobs), but also fit to a particular department or section is not a new one. However, ensuring that the job applicant has the required values that fit the organisation's values adds a further dimension to the sort of applicant that should be chosen for a particular position. This gives us the following model:

If the fit is achieved then, as we have found to be the case at Husky, fit results in better retention, employee satisfaction, performance and attendance. Thus, the impact of having an entire workforce that fits the organisational values, along with other requirements, can lead to significant competitive advantage. Figure 2 (below) includes departmental values in recognition of larger complex organisations having the potential for subcultures. Although it must be emphasised there is no guarantee that subcultures are divided by department, this is has been given in the figure to highlight that organisational values are the desired or 'espoused' values that the top management desire, whereas subcultural (departmental) values may differ in some ways, i.e. just because top management want staff to adhere to core values, does not necessarily mean that this is the case. HR recruiters need to consider that whilst fit to the core values is a priority for job applicants, informal/subcultural values associated with the colleagues with whom the applicant will work, also need consideration.

²http://www.hrsdc.gc.ca/eng/lp/spila/wlb/ell/08husky_injection_molding_systems.shtml.

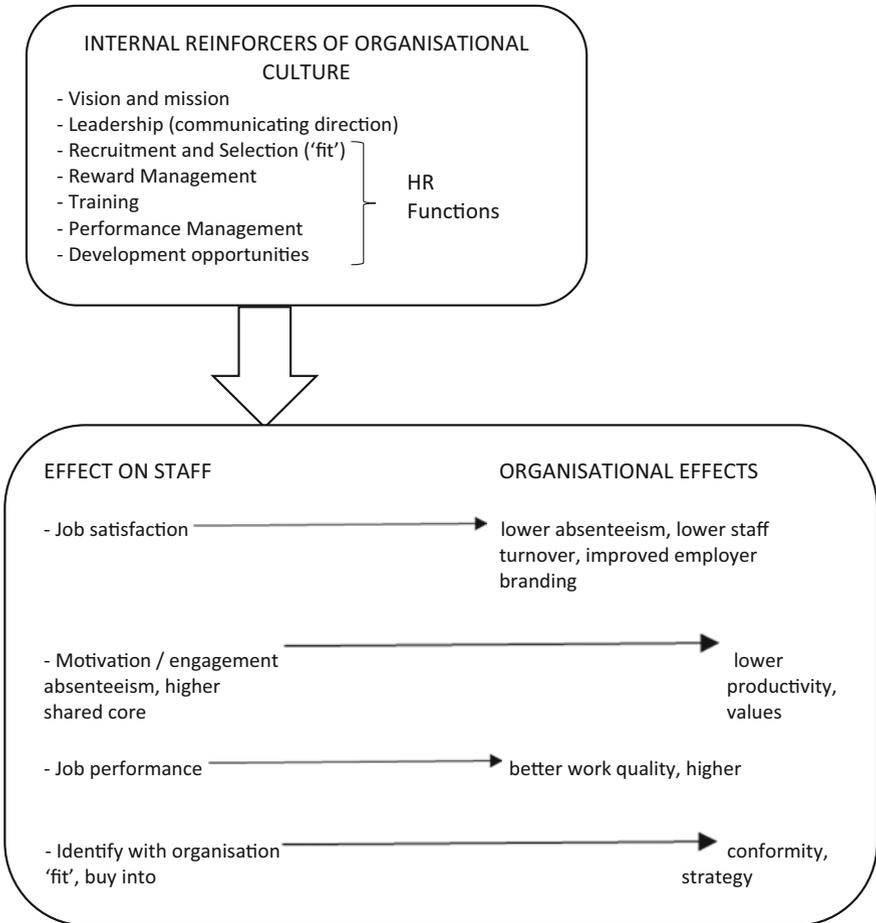


Fig. 3 The reinforcers of organisational culture and their effects

If we look beyond the case of Husky, however, there are more tools that can be used by the HR department to reinforce core organisational values:

- Growth and development opportunities can be based solely upon the reinforcement of core values;
- Team development is conducted through not only team needs, but also as a means of reinforcing values. Thus, problem solving, creativity and innovation may be encouraged in line with team cohesion and the support of core values;
- Communication, as used by Husky in the story, may repeat certain success stories or milestones that reinforces not only the change, or the need for change, but also to reinforce core values in the organisation; and

- Performance management systems may set goals for the individual that are in line with core values as well as those that may further develop the employee.

With the handling of these functions the HR department can ensure that employees have greater organisational identification, higher commitment, perform better, and become more engaged overall. Based on these findings and the case of Husky, the following figure indicates the reinforcers of culture and the effect on staff and the organisation as a whole (Fig. 3):

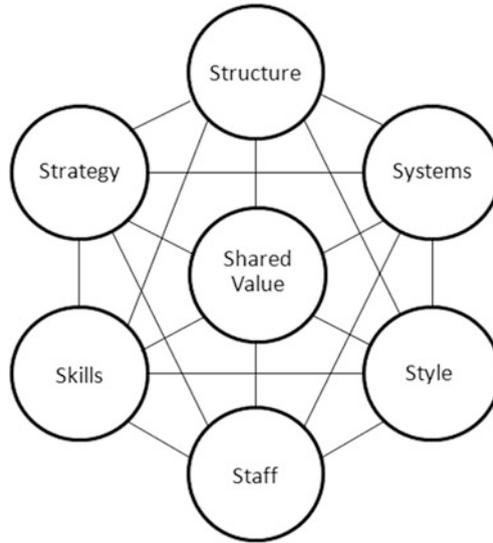
It can be seen in the figure that there are only two reinforcers of culture that are not within the scope the HR department: organizational mission/vision and Leadership skills. Thus, it seems that HR has a great role to play in the shaping and reinforcing of organisational culture. The organisational effects could be described further: as having the effect of lower costs, e.g. through lower staff turnover and absenteeism, which in turn leads to higher profitability: high market share through improved work quality and productivity, giving a competitive edge; and, through employee buy-into the strategy, organisational goals are more likely to be achieved. It also means that as staff identify well with the company (and leadership) then they are less likely to resist change and communication is easier when staff are ‘on the same wavelength’.

There are a number of studies corroborate the impact of HRM functions on the cultural composition of organisations. Kerr and Slocum [14] describe two types of corporate reward systems that caused two different culture types to emerge, called the clan and market cultures [15]. Guest and Peccei [16] claimed that HRM could affect the emergence and reinforcement of shared norms, values and informal rules through functions such as selection, socialisation and training procedures. Milne [17] looks at an organisation that was trying to shape its culture so that knowledge sharing would be a norm. This was achieved through the HR department setting up an incentive program. It was found that reward and recognition programs could positively affect motivation and performance in an organization, but had yet to discover if norms could be established with these programs.

Now, let’s consider how, conversely, the organisational culture may in turn shape the functions of an HR department.

4 Symbiosis: Actions and Reactions

We have seen that HR has functions to help mould strategy, but culture has a ‘mind of its own’. Determinants of culture include: Philosophy of the founders; Nature of the business and industry; Management style; National or regional characteristics; Organizational structure; Level of dependency on technology; Market/customer demands. These all impact upon the values and the relationship between values and the other areas of the organisation are highlighted in the McKinsey 7S model (Fig. 4), adapted from Waterman et al. [18]



7-S diagram was introduced in "Structure is not organization", Business Horizons (1980, June).

Fig. 4 The McKinsey 7S framework

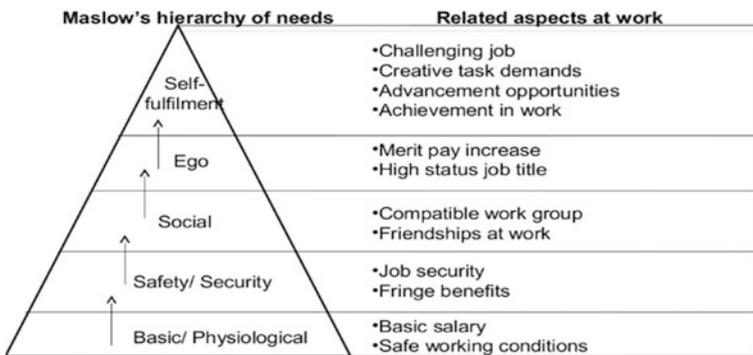


Fig. 5 HR aspects that relate to individual values

This figure shows how the shared values of the organisation constitute the superordinate goals of all staff, which make up the organisation. The majority of these areas impact upon HR functions, such as staff, skills, structure, systems and the overall strategy of the organisation. If we move from an organisational level to an individual level then we can also find that values of staff have the potential to impact on the functions carried out by HR practitioners. Maslow's hierarchy of

needs [19] shows us the satisfiers for employees from the very basic, such as a need for safe working conditions and job security through the needs associated with self-fulfilment such as advancement opportunities and a need to be challenged or a sense of achievement, as shown in the Fig. 5.

These needs are based upon what people value as important. This is why Maslow’s hierarchy of needs changes from one culture to another. For example, our figure illustrates what is essentially a Western hierarchy of needs, however in Asian cultures the five grouping of the hierarchy are as follows: Physiological; Safety; Affiliation; Admiration; and then Status. In a nutshell, the higher up the hierarchy the more we can distinguish between diverse cultures. The Asian hierarchy of needs is heavily influenced by the collectivist culture that is characteristic of them. This in turn impacts upon the HR functions, especially in organisations with a mix of staff from Western and Asian countries. For HR managers, this topic develops further into developing a suitable approach to staff with mixed needs. The decision may be one of two choices: uniculturalism or multiculturalism. Uniculturalism is where one culture is seen as superseding the other, either out of necessity or preference, and thereby a form of cultural imperialism emerges. The staff are required to adapt and change to one culture. This approach may result in conflict, disputes and resistance to change. Such consequences may raise the question as to why organisations

Table 1 The effect of cultural perspective on HRM function

HRM function	Integration	Differentiation
Performance management	Performance criteria is set by management, which has the same values and norms as staff	Subcultures may form based on performance. Differing values and perceptions of management
Leadership training	Leadership are trained on the basis that staff will be willing and able to conform and that value are shared	Subcultures have a leader or role model who may or may not be counter to that of leadership
Communication	Communication is top-down	communication exists within complex networks of subcultures, with each interpreting differently and perceiving values/norms differently
Participation programmes	Participation of staff with existing shared values and norms	A pressure to conform. Is participation required beyond subcultural boundaries? A uniculturalist or multiculturalist approach?
Training e.g. teambuilding	Teambuilding is a means to increase the unity and strengthen existing shared values	Merging subcultures to build a team may result in additional conflict. Furthermore, changes in training, rewards and structures may achieve change in the values of one group and only superficial behavioural changes in another
Interviewing and selection	The applicant fits the organisational culture and the requirements of the job	The candidate fits the subculture in which they will be working

would be willing to adopt such an approach. Often, it may be seen as a solution to reducing complexity, or perhaps because the ‘majority rules’. The other option is multiculturalism. In this case, the HR practitioners adapt a range of approaches to suit the different cultures. Table 1 serves as a general indication of the differences in HRM practice based upon the integration (a single homogenous culture) or differentiation (a group of heterogenous subcultures) perspective taken:

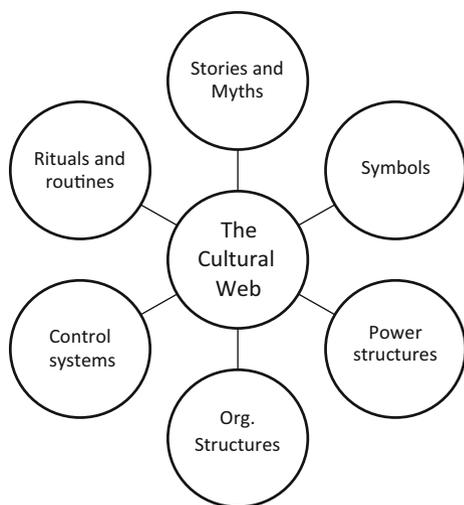
As can be seen in this table, the difference in perspective of organisational culture, alters the focus of the HR function and the level of complexity. There seems to be potential for conflict with the differentiation perspective as competing subcultures having boundaries that need to be crossed for the HR function to be executed. With the integration perspective, it seems that conflict is minimized but there is a certain degree of pressure to conform. This does not necessarily mean that an integration perspective is part of soft HR and, conversely, a differentiation perspective ascribes to hard HR, although it does indicate potential for further investigation into this area.

Earlier we saw that HR has the tools to shape and reinforce the organisational culture i.e. HR is a lever for change in the organisation. Culture can also be seen as a lever for change. This is shown in change management as the cultural web [20] as shown in the Fig. 6.

Within the context of levers for change and the culture web, Armstrong [21] puts forward the following as potential areas concerning Human Resource Management: performance management; leadership training; performance related pay and remuneration; communication/participation programmes; the psychological contract; training (e.g. teambuilding, customer care); interviewing and selection; total quality programmes; and skills development.

Mohr et al. [22] found that certain types of culture could impact upon staff turnover and performance. From a study of employees in outpatient centres in a

Fig. 6 The cultural web



health care system they highlighted that any organisation with high levels of staff turnover should consider a group-oriented organisational culture. In other words, the culture type can affect staff turnover, which in turn is a concern of the HR department. Horwitz et al. [23] used the primary data from five case studies to examine the role of HR and culture in the transition due to mergers or acquisitions. They found that cultural and human resource compatibility were the key to effective integration of staff into the new entity. The findings of the studies indicated that some human resource practices were crucial for the merging of two cultures, or ‘acculturation’, such as joint teams, and effective communication to staff.

Lok and Crawford [24] found that culture type also had an impact upon job satisfaction, a crucial element of the functions of Human Resource managers. They found that a combination of innovative and supportive cultures, and a consideration leadership style, had positive effects on job satisfaction. Furthermore, this combination of a given culture type and leadership style had a significant impact upon employee commitment. This interplay between leadership style, staff satisfaction and commitment and shared values hark back to the McKinsey 7S framework (see Fig. 4).

Specific culture types that are nurtured by the organization will require the HR department to handle their employees in a certain way. If we consider a culture that prizes creativity and innovation then HR management will need to set up systems that give employees time to think creatively and experiment [25]. There are examples such as that of Google where staff are given a percentage of their time as free time in which they can generate new ideas and work on their favorite projects —providing they are of benefit, or at least perceived benefit, to the organisation. Conversely, HR managers must avoid certain activities that may inhibit creativity such as an emphasis on productivity and downsizing, which Filipczak [26] found as result in more pressure on employees to work harder, and this in turn reduced creativity and innovation in organisation.

If we consider the likelihood of subcultures in large complex organisations then these may further affect the way HR conducts its operations. For example, Bokor [27] found there were some typical cultural clashes between subcultures as seen in the Table 2.

As HR may be involved in conflict resolution, mediation, and, if necessary, disciplinary procedures relating to conflict, the above table serves to show that different forms of conflict may arise based upon whether there are person or role subcultures in the organisation.

Yeung et al. [28] found clusters of cultures within a single firm and developed typologies based on these culture types as follows: the ‘group culture’ is a subculture with a high degree of commitment, loyalty and tradition (‘employee-oriented

Table 2 Matrix of conflict types

	Task	Contextual
Role	Professional conflict	Prestige conflict
Person	Decision or communication conflict	Political or personal conflict

culture’, Hofstede, *ibid.*); the ‘hierarchical culture’ has a large number of professional rules and policies (‘profession-oriented’, Hofstede *ibid.*); the ‘rational culture’ puts a focus on the accomplishment of tasks and goals (‘task-oriented’/‘results-oriented’, Hofstede, *ibid.*); and the ‘developmental culture’ has a strong commitment to innovation and development (‘innovation-centred’, Hofstede, *ibid.*). All of these subculture types will need to be considered for recruitment and selection as the employee will need to fit the particular type. Furthermore, HR managers will need to take into account the values and norms of these subcultures for performance appraisal. Furthermore, it may be a consideration for training courses, as staff that are more results orientated to results will need a different approach to training compared to, say, a group or hierarchy culture. A results oriented course may involve a specified aim or task to be completed at the end of the training course, whereas a course for a group subculture training might be more centred around teamwork and achieving learning through groupwork. However, the caveat here is that a subculture should also be urged to be open to other cultural approaches, such as a rational culture more open to the values and norms of a hierarchical culture.

5 A Proactive Role for HR Management

If we accept this symbiotic relationship between organisational culture and HRM, then the impetus falls on the HR department, perhaps more than any other department in the organisation, to have a clear understanding and appreciation of its organisation’s culture. It is not enough to simply grasp to core values held either in the mission or vision statement, as these are the espoused values that management would like the rest of the staff to share. The fact that managers desire these values to be widely held, does not necessarily mean that this is so.

There are a number of tools available for analysing an organisation’s culture, such as the Organisational Culture Assessment Instrument [29]. Table 3 gives a summary of some of the more common instruments for measuring organisational culture, along with their strengths and limitations:

The table indicates the varying dimensions to be considered when assessing an organisational culture. In many cases, as can be seen, there are varying degrees of overlap. For example, power, control and authority are reoccurring themes as are relationships between staff members. Likewise, the Competing Values Model indicates degrees of power distance in the four typologies—with the Hierarchy and Market typologies having higher power distance than the Adhocracy and Clan types. There is a caveat, however, each study in the table is used according to the aims and needs of the study. For example, Schein’s model may be used as a means of assessing culture through its artefacts, whereas the Cameron and Quinn competing values model may be used when a quantitative approach is preferred and involves the recognition of paradoxes existing in cultures. Thus, HR managers will need to consider the tool which best suits their needs.

Table 3 The strengths and limitations of common instruments for measuring organisational culture

Name and key references	Cultural dimensions/outcome measures	Strengths	Limitations
Competing Values Framework (Cameron and Quinn 1999)	Staff culture, leadership style, bonding systems Results in a combination of 4 different culture types: clan, adhocracy, hierarchy, market	Simple and quick to complete. High face validity, strong theoretical basis. Originally developed in educational organisations	Narrow classification of organisational types
Corporate Culture Questionnaire (Walker, Symon, and Davies 1996)	Four principal domains: performance, human resources, decision-making, and relationships	Systematically developed from review of previous instruments, comprehensive	Long
Core Employee Opinion Questionnaire (Buckingham and Coffman 2000)	Thirteen issues addressed: overall satisfaction, understanding of expectations, access to required resources, appropriate use of skills, recognition and praise for achievements, relationship with supervisors, encouragement for self-development, perceptions of worth, engagement with organizational mission, commitment of all employees, friendships, appraisal, opportunities for career progression	High face validity, easy to complete	Assesses only limited number of cultural dimensions
Harrison's organizational ideology questionnaire (Harrison 1975)	Assessment ideology of organization in terms of orientation to power, roles, tasks and individuals	Good face validity, addresses both existing and preferred culture. Strong theoretical underpinning	Limited number of culture types
Hofstede's Organizational Culture Questionnaire (Hofstede et al. 1990)	Based on 3 values: need for security, importance of work and need for authority. Within these, there are 6 factors relating to practice issues: process versus outcome, employee versus task, parochial versus professional, open versus closed system, loose versus tight control, normative versus pragmatic	Good theoretical basis and face validity of values and practical issues	Not widely used in English-speaking countries
MacKenzie's Culture	Employee commitment, attitudes to and belief about innovation, attitudes to	Simple to complete	Origin of items unclear, scientific properties unknown

(continued)

Table 3 (continued)

Name and key references	Cultural dimensions/outcome measures	Strengths	Limitations
Questionnaire (Mackenzie 1995)	change, style of conflict resolution, management style, confidence in leadership, openness and trust, teamwork and cooperation, action orientation, human resource orientation, consumer orientation, organisational direction		
Organisational Culture Inventory (Cooke and Lafferty 1987)	Shared norms and expectations of group members/12 thinking styles of individuals within a group: humanistic-helpful, affiliative, approval, conventional, dependant, avoidance, oppositional, power, competitive, competence/perfectionist, achievement, self-actualization	Good face validity, widely used graphic illustration of results. Strong psychometric underpinning	Limited number of aspects of culture. Long and complex to complete. Expensive to use (copyright)
Organizational Culture Survey (Glaser, Zamanou, and Hacker 1987)	Addresses six empirical factors: teamwork and conflict, climate and morale, information flow, involvement, supervision, meetings	Easy to use, comprehensive process of development	Addresses only superficial issues
The GLOBE study (House, Hanges, Javidan, Dorfman, and Gupta 2004)	Nine dimensions: performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, power distance, uncertainty avoidance, gender egalitarianism	Detailed, comprehensive analysis	Leadership focus

Source Adapted from Scott et al. [30]

A constructivist approach using one of the typological tools is not the only option for assessing cultures. Martin et al. [31] differentiate quantitative and qualitative research on culture as well as managerial and non-managerial perspectives. A qualitative approach may be adopted using tools such as observation, interviewing, or projective metaphors [32, 33]. Ott [34] used two quantitative instruments and an ethnographic approach to examine a small business' culture. When using more than one approach, it is important to consider the impact that data from one method may have upon another. With cultural assessments, triangulation

is perhaps more significant as different approaches may be used to target various levels of culture.

Another method could involve textual analysis of the company documents. However, if you wish to know the values of all staff, then analysing the documents of management may not give a full picture, as these often contain the espoused values of management—either as management tries to impose its desired values upon staff or staff give the impression to management through documentation of ‘towing the company line’. Thus, the true values of staff may be harder to discover.

6 Conclusions and Recommendations

The apparent symbiotic relationship between culture and HRM functions might be seen as something organic and naturally evolving. However, it up to the HR experts to take a proactive role in this symbiotic relationship. Through an analysis or audit of an organisation’s culture, the HR department can consider the tools and how they may be used in order for the culture to be aligned with the core values of the top management, if conformity and shared values are seen as desirable. However, there are arguments in favour and against both multiculturalism (the acceptance of a range of subcultures existing within the organisation) and uniculturalism. If various (sub)cultures are valued in an organisation, then the organisation is considered multicultural [35]. Gregory [36] noted that in multicultural organizations members of subcultures perceived things only from their cultural perspective (ethnocentrism), which in turn led to perpetuating conflict. Boisnier and Chatman [37], on the other hand, claim that subcultures have a positive effect upon strong culture organizations as such organisations become ‘agile’ by allowing subcultures to emerge. This agility is achieved through subcultures providing the flexibility and responsiveness that a unitary culture may limit, although it seems that multiculturalism is a pre-condition for this positive impact. Boisnier and Chatman [38] also claim that subcultures may actually strengthen an organization’s dominant culture rather than cause it detriment. Smaller groups, such as subcultures, are associated with being strategically weak and, therefore, not threatening [39]. Secondly, subcultures often emerge in response to changing demands and can serve as an outlet for members to express conflict and dissent arising during turbulent times. Thus, the existence of subcultures may be a tool through which HR departments can manage conflict, or at the very least promote an outlet for letting off steam.

If HR departments see these benefits and wish to promote the emergence of subcultures then we can see how staff may be likely to conform or resist the emergence of subcultures through the construction of a ‘forcefield analysis’. As subcultures have been found to be more likely to emerge in large complex organisations, we have chosen the setting of a higher education institution. Furthermore, Becher [40], amongst others, deals with the complex and fragmentary nature of subcultures in higher education. These analyses gave insight into the key issues and the propensity for the formation of subcultures in the organisation.

Whilst compiling this analysis the distinction between teaching staff and non-teaching staff became more apparent and so a separate speculative analysis has been made for teaching and non-teaching staff (Figs. 7, 8):

As a final note on the complexity of HEI culture and subcultures, Kuh and Whitt [41] point out that for different cultures existing within HEI culture, some culture properties overlap: “four discrete but interdependent [sub]cultures are said to influence a staff behaviour: the culture of the discipline, the culture of the academic profession, the culture of the institution, and the culture of the national system of education”. This complexity and overlapping of cultures can be considered from the perspective of multiculturalism.

A multicultural perspective may be preferred by HR practitioners as subcultures are “more malleable and responsive than an entire organisation” [42]. This ‘malleability’ coupled with greater responsiveness means a greater reaction to HR activities that are designed to have an impact upon the culture such as reward management and performance management. As a final note, through considering

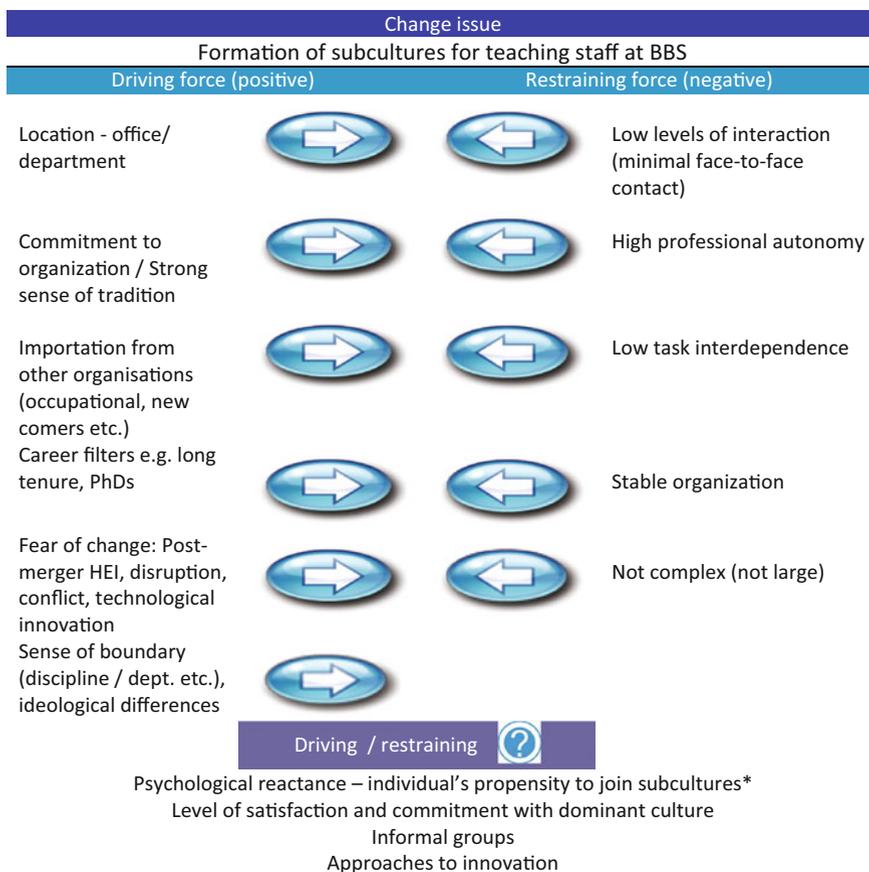


Fig. 7 A force field analysis of potential factors affecting the formation of subcultures for teaching staff. *Note: an individual’s propensity to join subcultures may well be linked to their level of satisfaction with the dominant cultural values (Martin and Siehl 1983; Rose 1988)

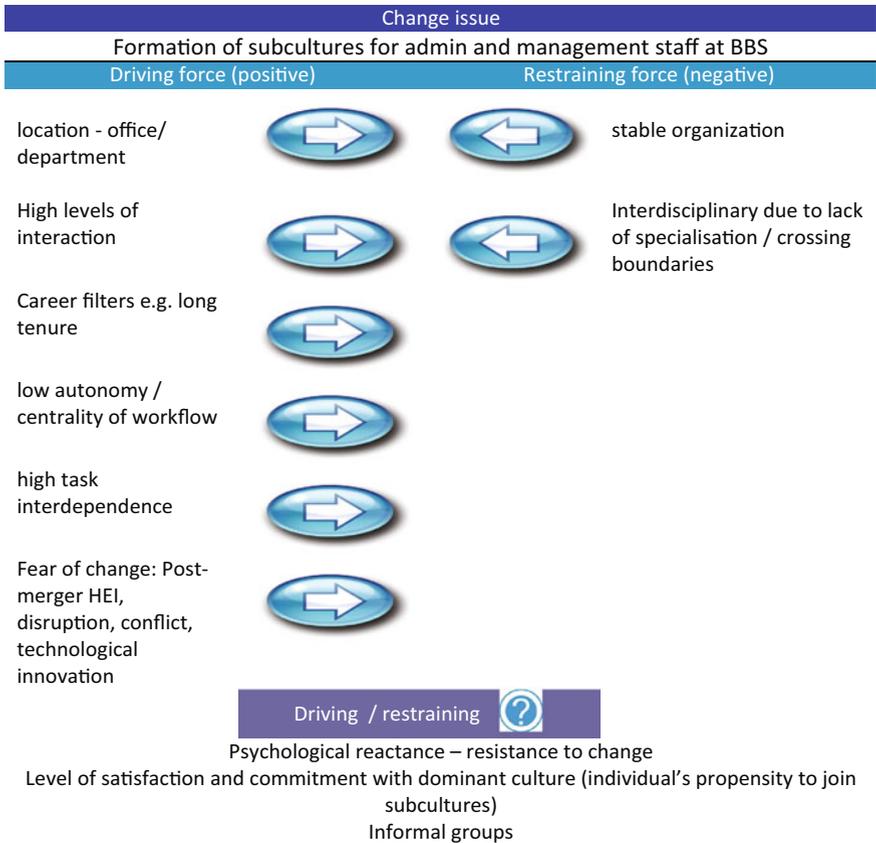


Fig. 8 A force field analysis of factors affecting the formation of subcultures for administrative and management staff

the impact of subcultures upon the organisation, HR gives appropriate attention to the complexities and sensitivity involved in changing an organisation’s culture or subculture, as supported by Trice and Beyer [43].

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

1. Strong cultures result in higher levels of commitment and effort.
2. Peters and Waterman [7] wrote about the top Forbes 500 companies that are still successful today.
3. Tony Hsieh, the founder of Zappos, pays new employees \$2000 to leave the company.

4. Organisations should always change the culture to fit the strategy.
5. Visionary leadership is ‘an internal compass’, providing direction for all areas of the organisation.
6. Huskys’ leader, Robert Schad, uses HR activities to change the culture to fit his new vision.
7. Selecting new employees means focussing not only on suitable motivation, knowledge, skills and abilities (and potential for further development or jobs), but also fit to a particular department or section.
8. Subcultures are usually divided by departments in organisations.
9. The philosophy of the founders is one of the determinants of culture.
10. The 7S model shows that staff and structure are the most important elements of an organisation.
11. To satisfy the Ego in Maslow’s hierarchy of needs, the HR manager should ensure safe working conditions.
12. The Western and Asian hierarchy of needs are identical.
13. Multiculturalism means there is more than one culture in the organisation.
14. With an integration perspective, communication is top-down.
15. If HR managers adopt a differentiation perspective on culture, then interviewing and selection will involve ensuring that the candidate fits the subculture in which they will be working.
16. Both HR and culture can be levers for change.
17. Any organisation with high levels of staff turnover should avoid a group-oriented organisational culture.
18. A combination of innovative and supportive cultures, and a consideration leadership style, are likely to have positive effects on job satisfaction.
19. HR managers should emphasize productivity and downsizing to encourage creativity.
20. The ‘rational culture’ has a large number of professional rules and policies.

Answers

1. true, 2. false, 3. true, 4. false, 5. true, 6. true, 7. true, 8. false, 9. true, 10. false, 11. false, 12. false, 13. false, 14. true, 15. true, 16. true, 17. false, 18. true, 19. false, 20. false.

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Teachable Moments in Human Resource Management: National Culture, Organizational Culture, and Intersectionality

David Starr-Glass

Abstract The most important outcome of any academic course is to increase understanding for both learners and their instructors. However, in many business courses this is made problematic because of the ways in which business schools have constructed the bodies of knowledge that they consider relevant. This chapter considers the ways in which the Human Resource Management (HRM) course has evolved and argues that in its trajectory it has become artificially separated from many other critical understandings and bodies of knowledge, particularly those of national and organizational cultures. However, within the teaching and learning of HRM there are many opportunities for considering overarching perspectives, integrating what have become separated aspects, and providing the richer and more expansive understanding of subject matter that is increasingly demanded from business graduates in the complex and globalized world of work. The chapter explores the nature, significance, and potential of these opportunities—opportunities that are generally understood as teachable moments.

1 Introduction

In an attempt to adhere to the aims and philosophy of this edited volume, the present chapter considers not only the *teaching* of Human Resource Management (HRM) but also the *learning* of HRM. The chapter explores some of the problems encountered by those who teach and those who learn HRM, and provides some recommendation that might be useful. As such, this chapter does not constitute a ‘unit’ in a HRM course, but rather a holistic and overarching approach to the teaching and learning of the subject that might well be useful for both teachers and learners. It is probably most advantageous to read this chapter *before* beginning either the teaching or learning of HRM; although, some readers may use this chapter to reflect on a course in which they have already participated.

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Ideally, *teaching* and *learning* should interlock into a single dynamic process that provides learners with the opportunity to develop a deep and considered understanding of the topic. The mutuality and inter-relatedness of the teacher-learning dynamic is captured by Paul Ramsden's [1] well-known aphorism that 'the aim of teaching is simple: it is to make student learning possible' (p. 5).

Of course, while this teaching objective might be simply stated, in practice it is always challenging for instructors to bring about genuine learning possibilities for their students. Nevertheless, despite the difficulties and challenges, many instructors have come to appreciate the inter-connectedness and mutuality of the teaching-learning dynamic and try to ensure that effective learning opportunities are created in their courses. Indeed, it is hard to disagree with Case [2], who argues that a critical element for those *teaching* HRM, and for students *learning* the subject, is that 'good teaching is directed towards fostering desirable approaches to learning, and, in making these expectations clear, teachers are able to influence learning behaviours' (p. 626).

However, the teaching and learning of HRM is not only a process that involves instructors and students. Like all other business-orientated courses, most HRM courses are taught within the framework of the business school and its objectives, philosophies, and pedagogies have an impact on how the HRM learning experience is shaped and on how it is delivered. In recent years, the business school has had more than its share of criticism and that criticism has not abated. Even before the financial crash of late 2007 and the subsequent Great Recession of 2008—which, among other things, focused acute scrutiny on financial institutions, their managerial philosophies and practices, and the competency of their graduate employees—some had been highly critical of the curriculum content, pedagogic approaches, and perceived mission of the business school [3–5].

More recently, others—including academic scholars, business educators, and practitioners—have seriously questioned whether, as presently conceived and operated, it is realistic or indeed possible for business schools to produce graduates who possess the competencies required in the complex, globalized, and disruptive world of the 21st century [4, 5]. These critics are also skeptical about the quality of social and cultural awareness of business graduates [6], about their ability to fill the role of global managers [7], and about how they have been taught to engage with real-world problems and trained to provide realistic or sustainable solutions for those problems [8–10]. Most criticism has been leveled at U.S. business schools, which have a very long history and a pre-eminent global reputation, but their relatively modern British counterparts—which only came into existence after 1965—have not been completely spared [11, 12]. Although this criticism has been directed generally towards the business school and its graduate products, it is also fair to say that many of the failings identified also apply at a micro-level to the specific courses that the business school teaches—including HRM—and to the learning expectations and outcomes associated with those courses.

At the macro-level, there is a consensus that the failings of business schools are institutional, that significant changes are needed in both their mission and pedagogy, and that these changes must be institutionally-centered and

institutionally-driven [13–15]. However, at the micro-level—within the learning experiences that come about through the teacher-learning dynamic in the classroom—there are multiple opportunities for instructors and students to address the repercussions of these systemic problems, and to develop richer and more critically attuned learning outcomes. Faculty and students can co-create more expansive and holistic understandings of the disciplinary area in which they are engaged. *Faculty* can re-envision and re-formulate the HRM course in ways that allow learners to confront, explore, and appreciate issues that might not normally be part of the institutionally formulated course. *Learners* can be more critically sensitive to what at they are being taught, what they are expected to learn, and why that learning is considered relevant or important. Part of this mutually beneficial process of teacher re-envisioning and student re-considering can be dynamically enacted in the classroom through the use of what have come to be known as *teachable moments*, which Hansen [16] describes as ‘instances in which the learner’s natural defenses against destabilizing insights are low so that he or she is willing to consider the need for change’ (p. 8).

The chapter is organized as follows. The next section considers the ways in which knowledge, in the business school and the courses that it offers, has been fragmented and reduced to linear presentations. The implications of this for those teaching and for those studying HRM are then reviewed. Section 3 emphasizes the point that HRM deals directly with people and groups and, as such, is embedded in a matrix of political, social, and national culture forces. Section 4 explains the construct of teachable moments and argues that these opportunities, spontaneous or planned, provide an opportunity to re-consider HRM in ways that are broader and more relevant to the HRM practice that graduates will encounter in the real world.

Section 5 provides a framework for exploring the complexities of HRM within society and organizations by briefly underscoring some key issues in the understanding of national culture, organizational culture and climate, and the intersectionality of these cultural domains. Section 6 suggests possible teachable moments that might arise in the teaching and learning of HRM, and provides guidance on how they might be used. Section 7 summarizes the main issues developed in the chapter. This concluding section is followed by a number of short questions that the reader might find helpful in reviewing the chapter—answers to these questions are provided after the reference section.

2 The Fragmentation and Linearization of Business Knowledge

The central themes of this chapter are the teaching and learning opportunities that emerge through *teachable moments*, and the creative perspectives provided by the *intersectionality of culture* in the HRM course. At first glance, both of these themes might seem peripheral or tangential issues. After all, teachable moments are often

considered to be rather trivial and ‘destabilizing insights’ [16] and intersectionality is rarely present in HRM, being more commonly associated with the studies of race, gender, and inequality. In order to appreciate how teachable moments and intersectionality *can and do* play critical roles in HRM teaching and learning, it is first necessary to explore how business schools have created their curriculums and the philosophies, epistemologies, and pedagogies that shape the courses that they offer. In other words, it is necessary to first assess the problem.

2.1 The Origins of the Business School

It is beyond the scope of this chapter to provide an extensive review of the origin of U.S. business schools. However, several features of their evolution undoubtedly have a direct bearing on the present-day HRM course. In their development, certainly from after 1945, U.S. business schools had tried to move away from the narrow vocationalism that had dominated business education and which had centered on meeting the anticipated needs of the workplace. Business schools wanted to reposition themselves through the expansive professionalization of management, the provision of a highly-trained managerial class, and the generation and dissemination of managerial knowledge derived from their own research programs. It was contended that all of these outputs would advance the status of the business school, create new career trajectories for faculty and graduates, and add wealth of the nation and local community.

In an attempt to define themselves, business schools began to build academic ‘walls’ that separated them from the liberal arts faculties—which were centered on broader, more inclusive, and critically-centered education—and, perhaps more surprisingly, from the social science faculties that might have been regarded as their natural allies [3, 17–19]. In an attempt to legitimize and differential their knowledge production and curriculum, business schools also adopted a rigorous and systematic *scientification* of their disciplinary areas and of the ways in which these areas were considered, researched, and taught.

Borrowed from the natural sciences, the scientification of management knowledge entailed ‘the promotion of research-based teaching and scientifically valid procedures, which usually required the use of quantification and statistics to certify findings as objective knowledge rather than as the subjective products of ideologies or individuals’ [20, p. 280]. This move took place despite the inherent contradiction that the positivist paradigms and validation methodologies of the natural sciences did not match the epistemological outlooks and social constructivist approaches of the social sciences, to which management and management disciplines naturally belong. All of these decisions taken by the emerging business schools—taken for existentialist, pragmatic, and arguably theoretical reasons—helped to define their research and teaching agendas but, in the future, these same decisions would come back to haunt business schools in terms of the perceived legitimacy, authenticity, and practicality of their knowledge-production and graduate output [3, 10, 20, 21].

The *professionalization* of the discipline and the *scientification* of its subject matter had a number of direct consequences on the ways in which business subjects were taught. These can be summarized as follows: (a) the artificial fragmentation of business practice into well-defined and independent functional areas and often functional subdivisions within these areas; (b) the exposure of students to overly theoretical and restrictively-focused understandings of these functional areas; and (c) the creation of a linearly-conceived set of courses (presented as the ‘curriculum’) that incrementally advance and reinforce understandings learned in prior coursework. Those wishing to graduate in a particular disciplinary area—such as finance, marketing, or HRM—had to progress through a sequence of separate and specifically focused courses, each designed to add to the student’s knowledge of that predefined discipline.

2.2 *Teaching and Learning Consequences of the Business School Curriculum*

The study of a particular disciplinary area within the business school is mapped out in a series of separate units, with students expected to move through this sequence in their pathway to graduation. The linear assumptions and sequential progressions of the business school curriculum possess a certain degree of epistemological and pedagogical logic. However—perhaps more importantly for both instructors and students—these assumptions of linearity and self-reinforcing progressions can lead to a number of significant problems in both the teaching and learning associated with, for example, a HRM course. These problems beg the more fundamental question posed by Guest [22]: ‘Is HRM a list of practices, a measure of strategic fit or some sort of configuration of practices?’ (p. 1096).

- **Isolating Discrete Bodies of Knowledge** In a linear presentation of the curriculum, knowledge and the ways in which knowledge is constructed are artificially fractured into distinct *bodies of knowledge*. In this fracturing process, both the integrity and connectedness of knowledge are lost. The emerging bodies of knowledge becoming artificially isolated, differentially privileged, and effectively reified as distinct entities. These separate bodies of knowledge tend to be located and then taught in the distinct, separated, and silo-like departments of the business school. The fragmentation of knowledge, and the preferential access to that fractured knowledge—which is an inevitable outcome of competing inter-departmental cultures, power, and politics—significantly limits, and indeed may effectively preclude, the opportunity for any meaningful inter-departmental cooperation, inter-disciplinary boundary crossing, or indeed college-wide collaboration [3, 17].
- **Privileging Analysis and Reductionism** The dominant logic within the structure, curriculum, and delivery of course content in business education is analytical—it seeks to decompose, split, and fragment the whole into separate and discernable

parts. A predisposition towards analysis and the reduction of complexity to simple elements is pervasive in business school approaches and in their teaching method. This is clearly reflected in their ubiquitous reliance on case studies and case study methodologies, which attempt to present the complex experienced world in partial, selective, and fragmentary ways [23, 24]. This epistemological and pedagogical preference is guided by an assumption of *reductionism*, which seeks to reduce complex systems to single issues—or at least to readily isolatable factors—rather than to recognize the complexities and synergies of these systems, and to consider integrated and holistic solutions. Whereas reductionist and positivist paradigms are normal in the physical sciences, they are always problematic in the social sciences (including business) in which complexity and social construction are more insistent and relevant [5, 25, 26].

- **Devaluing Synthesis and Creativity** Analytical and reductionist ontologies in the business school have pedagogical consequences that impact the ways in which instructors design and deliver their courses and the ways in which students try to create knowledge within these courses. As Bloom's [27] hierarchy of cognitive levels suggests, *analysis* does indeed constitute a significant and required component in the learning sequence—remembering, understanding, applying, analyzing, evaluating, and creating [27, 28]. However, focusing on analysis tends to devalue and divert attention from the higher-order functions of evaluation and creativity, both of which center on a process of synthesis. Rather than believe that their goal is to decompose complex problems into what seem to be their constituent parts, students might be more profitably encouraged to go beyond this and focus on putting the fragments together—synthesizing, formulating solutions, and generating novel and creative possibilities. These are the skills that are increasingly required and demanded in the complex realm of 21st century business practice, but they are not the skills that are accentuated in most business schools and the courses that they offer [29].
- **Encouraging Self-reference and Narcissism** Although reflection and reflective practice are regarded by as critical and distinguishing elements of professional practice, business schools tend to accentuate a linear educational agenda that leaves little room for a more considered, integrated, and reflective understanding of the disciple [30]. Despite academic and practitioner arguments, reflective practice is rarely something that business undergraduates are encouraged to undertake, whether they are HRM or Organizational Behavior majors [31–33]. Even when encouraged to adopt reflective practice, students run into a problem generated by the business school's approach to disciplinary knowledge and knowledge-production, which tend to be inward looking, narcissistic, and self-referent—an emphasis on *our* theories and *our* solutions, rather than *their* problems and *their* needs. As Tomkins and Ulus [34] insightfully note, many of the difficulties that students encounter in their reflective practice subconsciously mirror the structural issue that 'when we [in the business school] review the work of others, do we see it so much through the filters of our own perception that we morph into a mode of appropriation, effectively judging the work as if it were ours?' (p. 603). These authors then add, playing on the double meaning of

reflections, that these ‘reflections dovetail with the burgeoning literature criticizing the business of academic review [in the business school]’ (p. 603).

- **Forgetting Myopia and Reduced Peripheral Vision** The linear flow logic of the business school curriculum tends to produce graduates who are encouraged to be self-referent, analytically focused, and professionally orientated. However, in order to be operationally effective, business graduates need to be outward-looking, focused on the creative synthesis of solutions, and orientated towards practice. There has been a growing concern that these graduates—who may well possess an institutionally validated sense of confidence—prove to be unsuccessful and frustrated in their subsequent employment and careers [3, 11]. For example, Pfeffer and Fong [4] concede that although ‘business schools and business education have been a commercial success, there are substantial questions about the relevance of their educational products and doubts about their effects on both the careers of their graduates and on management practice’ (pp. 78–79).

Given the substantial questions about relevancy, and the significant problems about the structure of learning, many have urged for reform of the business school curriculum, teaching approach, and implied learning assumptions. For example, Glen, Suciu, and Baughn [35] suggest that the predominant analytical logic of business education and course structure should be replaced by a logic of synthesis that focuses on solution-driven philosophies, holistically-conceived integrations, creative design thinking, and practitioner-centered perspectives—arguing that ‘at the heart of effective business education lies the need to synthesize knowledge of the functional business disciplines with the day-to-day challenges faced in practice’ (p. 655).

Perhaps more fundamentally, scholars such as Szkudlarek, McNett, and Romani [36] urge business schools to revisit their existing pedagogies and to actively ‘engage with the topic of developmental and transformational learning... [stressing] a process of self-reflexivity and increasing pedagogical sophistication along themes such as awareness of increasingly complex realities in which we and our students operate’ (p. 491). These same authors also argue that this changed teaching and learning approach would encourage and support business students to ‘develop a new pair of eyes through which they can perceive the world, and a new set of cognitive frameworks through which they can interpret what they see and make conscious behavioral choices’ (p. 489).

3 The Political, Social, and Cultural Embeddedness of HRM

Both the teaching and learning of HRM are complex, because HRM is itself complex. This is perhaps something that is obvious but all too frequently—when instructors are busily engaged in presenting the course and when students are

eagerly trying to learn the new subject—there is a tendency to lose sight of the complexity and to also lose sight of the political, social, and cultural matrix within which HRM is inevitable and inextricably embedded.

The complexity of the subject is readily seen when we consider the name of the subject, which co-joins three significant elements:

- **Human Aspect of HRM** It seems obvious, but unfortunately it is sometimes overlooked or neglected, that HRM is about real people, real organizational settings, and real experiences. Any study of the subject must involve a consideration of human behavior and responses, including the social and cultural contexts (national and organization) within which these individuals are situated.
- **Resource Aspect of HRM** People are considered to be one of the most significant and critical elements of organizational success. HRM is about the extent to which organizational participants know what their organization requires from them, are able to meet these requirements, and are prepared to meet what their organization might want in the future. HRM is also about the extent to which people can or *should* be regarded as ‘resources’ of the firm [37, 38]
- **Management Aspect of HRM** At its core, management is about how people and other organizational resources can be woven together in a process that is effectively planned, communicated, monitored, regulated (or controlled), and evaluated. The outcome of the managed process is ultimately to provide a competitive and strategic advantage for the organization and all of its participants, including those that it employs.

These multiple elements, processes, and perspectives associated with HRM are picked up in many of its definitions. Because of its different focuses and concerns, it is remarkably difficult to produce a succinct yet comprehensive definition—some inevitably stress one aspect, while ignoring or minimizing others. However, the following definition by Bratton and Gold [39] manages to bring out the complexities of the subject in a balanced way. They see HRM as:

A strategic approach to managing employment relationships which emphasize that leveraging people’s capabilities and commitment is critical to achieving sustainable competitive advantage or superior public services. This is accomplished through a distinctive set of integrated employment policies, programmes and practices, embodied in an organizational and societal context. (p. 7).

Yet even in such a definition many will see a European—as opposed to a U.S.—perspective of HRM, which places more value on the importance of organizational participants and their inclusion in a mutually beneficial process of cooperation rather than as being simply the object of management’s strategy. It is important to remember that HRM, as a business school subject area and as an industrial practice, originated and underwent significant development in America. There, it was shaped by prevailing social and politic factors such as the relative weakness of unions, lack of state or federal intervention, and a predominant sense of the individual rather than of the collective. With these social and national cultural perspectives in mind, Guest [40] remarked that in its original and evolved nature ‘HRM is yet another

manifestation of the American Dream, and its popularity and attractiveness must be understood in this context' (p. 377).

Further, U.S. manifestations of HRM were strongly influenced by a 'scientific preoccupation' derived from Taylorism, an assumption that HRM was intended to improve the firm's performance and to focus on its strategic relevance, and a belief that there was likely to be 'one-best-way' of managing within the organization [41–43]. The impact of U.S. orientated HRM was very significant, as was the diffusion of the model through the dominance of U.S. research in the literature and the use of U.S. textbooks in classrooms well beyond America.

The social, political, and cultural forces at work in Europe were quite different. In most European contexts labor rights and protection were strong and often state endorsed, collective bargaining and more socially engaged industrial relations were the norm, and there was general skepticism about the extent to which business problems were either 'scientific' in nature, or that they could be reduced to 'one-fits-all' solutions. European models of HRM incorporated a distinctive 'human orientation' that tended to balance the rights of the individual with those of the firm, and which looks towards a more robust psychological contract—that is, the implicit socially-constructed employment relationship that provided mutual benefits, guarantees, and protection for employer and employee [44–47].

The key point is that, in its formation and evolution, HRM has been embedded in social and cultural systems that determine its perspectives and approaches and, although it is still a highly contentious area, there seems to be equal degrees of convergence and divergence in the various national and regional HRM manifestations [48, 49].

Of course, *all* business subjects taught in the business school are embedded in politics, society, and culture as are decisions and behaviors in the business world. Lane [50] makes the point that 'although organizational goals... may not differ significantly across organizations, courses of action towards reaching these goals do, because action is socially constructed and hence shaped by culture as manifested in societal institutions' (p. 34). The degree to which cultural and social considerations shape the agendas and outlooks of HRM systems is something that has to be kept in mind when teaching or learning the subject. Most would agree with the paradoxical situation noted by Schein [51], that although 'culture is an abstraction, yet the forces that are created in social and organizational situations that derive from culture are powerful' (p. 3).

4 Teachable Moments: Spontaneous and Deliberate

When engaging in a HRM course, there is a natural division of roles: Instructors are preoccupied with their *teaching*; whereas, students are concerned with *learning* the subject matter. With their different roles, instructors can all too easily forget the learning aspect of the learning experience, and students can focus on the subject matter in ways that might, in retrospect, be considered myopic or uncritical. How

can instructors be refocused on the learning and learning possibilities of their students? How can students be encouraged, as it were, to raise their heads and look beyond the well-intentioned but restrictive boundaries that are created by the logic of the course presentation?

Sometimes, in the teaching and learning associated with the HRM, it becomes apparent that a cultural consideration is, or has become, a *central and critical* aspect of the issues being studied, not a tangential and categorical separated one. Sometimes, this culture linkage is clearly recognized by the instructor. Sometimes, it is considered—perhaps only briefly, tentatively, and hesitantly—by the inquisitive and thoughtful learner who is prepared to think outside the logical box of the course. If recognized, these occurrences signal *teachable moments*.

Teachable moments constitute a reality of pedagogy, although oftentimes they seem to be part of teaching folklore. Teachable moments are normally considered to be *spontaneous* instructor-centered realizations that an opportunity exists to further student learning. These moments of realization often emerged from the learning that is currently being undertaken. Initially, they do not seem related to that material; however, when introduced and discussed, the new topic begins to assume particular relevance and appropriateness. Teachable moments present an opportunity to deviate from the predetermined script and to introduce new themes, or to move in unexpected directions. Hyun [52] argues that these teachable moments ‘represent new, emerging ways for us to learn from each other by temporarily ignoring our institutional identities (teacher, learner) in order to become participating members of a teaching and learning community’ (p. 14).

Teachable moments can be viewed from a number of different perspectives, each with its own implication for teaching and learning:

- **Disruptions of Linear Knowledge Assumptions** Usually, disciplinary knowledge is arranged and communicated in sequential units according to a linear logic. It is assumed that there is a progression of concepts, a sequence of ideas, and a flow of relationship that points forward towards understanding. Teaching follows that trajectory, providing—like any good story—an extended narrative that has a convincing beginning, middle, and end. There is an implied assumption that learning also follows this linear logic that has been established. Teachable moments suggest that this linearity is questionable and that discontinuities exist in it. These discontinuities in the scripted narrative often become evident during the teaching-learning interaction process and provide an opportunity for introducing new ideas, for considering relevant but presently unconsidered knowledge, and perhaps for restating the *meta-principles* of the discipline—its underpinning, inferred but not explicitly referenced, philosophical principles.
- **Signals of Critical Concerns** When recognized and appreciated by learners, teachable moments can be signal *critical moments* because the questions and concerns raised by students about the current subject matter may well have significance, importance, and a degree of unresolved urgency. When recognized by the instructor, teachable moments might seem to be fortuitous—spontaneous

opportunities that suddenly become apparent, unsolicited invitations to reconsider the topic that is currently being explored. However, teachable moments are not necessarily spontaneous or fortuitous. Teachable moments can be created *deliberately* and exploited as part of a considered pedagogic approach that seeks to advance the learner's understanding by deliberately breaching the normal sequencing of disciplinary knowledge and exposing the learner to other and perhaps more overarching perspectives [16].

- **Demonstrations of Emerging Possibilities** As has been suggested, one of the central aspects of approaching, creating, and disseminating knowledge in the business school has been reductionism, a belief that a system of many components can be continuously reduced to simpler elements. From a reductionist perspective, complex real-world systems—such as those that confront all businesses—can always be broken up into smaller functional elements such as marketing, management, or HRM. These smaller functional areas can in turn be decomposed into more and more specific elements, such as selecting new employees, training them, determining their remuneration, and assessing their performances. In any ways, reductionism seems a perfectly logical way of pin-pointing relevant ‘parts’ of the system, but in the process of identifying these parts the complexity, interconnectedness, and synergism of the whole system is ignored. Teachable moments occur—often in a sudden and striking way—because it becomes evident in studying these fragmented elements that the existence of the larger, more complex, and more interconnected system has been neglected. Teachable moments suggest new possible structures, behaviors, and functions that may indeed *emerge* from this reconsidered complexity. Goldstein [53] defines *emergence* as the ‘arising of novel and coherent structures, patterns, and properties during the process of self-organization in complex systems. Emergent phenomena are conceptualized as occurring on the macro level, in contrast to the micro-level components and processes out of which they arise’ (p. 49). Emergence and emergent thinking have long histories in psychology, philosophy of the mind, and organizational studies and there is some evidence that these are the mode through which systems designers, subject matter experts, and practitioners approach complexity [54–56].

A teaching strategy of deliberately creating and exploiting teaching moments, suggests that new and relevant knowledge can and should be introduced into the course when it provides learners with greater insight, novel perspectives, and more resilient ways of constructing knowledge of the topic. From such a perspective, the present chapter argues that truly valuable and empowering teachable moments are often not those that arise spontaneously, but those that are deliberately introduced and which challenge the existing linearity of the disciplinary knowledge script and the traditional curriculum [52, 57].

Although they might not solve the structural problems of business education or the HRM course, teachable moments can provide a valuable way—for both instructors and learners—of promoting ‘a process of self-reflexivity and increasing pedagogical sophistication along themes such as awareness of increasingly complex

realities in which we and our students operate; methods that have positive impact in the classroom...and commitment toward developing responsible global leaders' (35, p. 491)

5 National Cultures, Organizational Cultures, and Their Intersectionality

Although *cultural considerations* are pervasive in the teaching, learning, and practicing of all the designated functional aspects of business—such as HRM, Management, Marketing, Consumer Behavior etc.—culture is rarely taught as a separate and independent study in the business school. Instead, suitably defined and limited, culture makes its appearance as a limited and specific focus in some selected courses—as *organizational* culture in Organizational Behavior, and as *national culture* in International Business and Cross-culture Management courses.

Despite the significance and vitality of culture, a sharp and convincing definition of it has failed to materialize in the social sciences over the last hundred years [58, 59]. In the present chapter, the working definition is provided by Spencer-Oatey [60], who—having extensively reviewed the history of culture's definition—concludes that it comprises a fuzzy set of basic 'assumptions and values, orientations to life, beliefs, policies, procedures and behavioural conventions that are shared by a group of people, and that influence (but do not determine) each member's behaviour and his/her interpretations of the "meaning" of other people's behaviour' (p. 3).

This broad, but useful, definition underpins other expressions of culture at the national or organizational level. However, it might be useful to briefly consider these other cultural manifestations separately.

5.1 National Culture and Its Consequences

National culture suggests that at the macro-level—that is at the level of geographical areas, which might or might not constitute recognized nations and nation states—identifiable cultures seem to have emerged and have been subsequently transmitted to the inhabitants of those regions.

Reviewing the evolution of the national culture construct and its importation in Cross-culture Management education, Bird and Mendenhall [61] confirm the critical part played by Gert Hofstede's [62] seminal work, *Culture's Consequences*, which focused on *comparative managerial* assumptions and behaviors that had been shaped by individual national cultures. Hofstede [62] attempted to identify, define, and measure quantifiable dimensions of national culture, defining national

culture simply and tersely ‘the collective programming of the mind which distinguishes the members of one group or category of people from another’ (p. 9).

Hofstede [62, 63] privileged a statistical approach to national culture, seeing it as *static manifestation* rather than as dynamically evolving system. Despite the many problems associated with Hofstede’s assumptions, methodology, and analysis his work has had an enduring influence on the ways in which national culture is recognized and taught in the business school. However, many contend that this reification of culture as a static and shared reality tends to obscure the complexities of cultural shifts and the extent of its national expression, replacing them with what often turn out to be unproductive misconceptions, fundamental misunderstandings, and plausible but self-limiting *sophisticated stereotypes* [64–66].

Hofstede identified a number of national culture dimensions that might be of value in considering HRM issues:

- **Power Distance** This dimension measures ‘the extent to which less powerful members of a society accept and expect that power is distributed unequally’ (67, p. 89). In high power distance cultures status, hierarchy, and deference are anticipated and accepted and individuals are aware of what they understand to be their ‘rightful place’.
- **Individualism/Collectivism** The difference between ‘people looking after themselves and their immediate family only, versus people belonging to in-groups that look after them in exchange for loyalty’ (67, p. 89). Individualistic cultures focus on the individual, the uniqueness of the ‘I’ and on expressions of self. Collectivistic cultures focus on the collective—the ‘We’ and on maintaining societal structures and customs.
- **Masculinity/Femininity** This dimension focuses on ‘the dominant values in a masculine society are achievement and success; the dominant values in a feminine society are caring for others and quality of life’ (67, p. 89). Masculine cultures tend to have more significant gender-based role and activity differentiation than feminine cultures.
- **Uncertainty Avoidance** This is ‘the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations’ (67, p. 90). In high avoidance cultures there is a significant degree of reluctance and discomfort associated with engaging in situations involving change, innovation, and risk-taking.
- **Long-term versus Short-term Orientation** This dimension measures ‘the extent to which a society exhibits a pragmatic future-orientated perspective rather than a conventional historic or short-term point of view’ (67, p. 90). Long-term orientation places value on persistence, perseverance, and an investment in the future; whereas, short-term orientated cultures favor the immediate, the present, the transient, a pursuit of happiness, and immediate gratification.

5.2 *Organizational Culture and Its Impacts*

Schneider, Ehrhart, and Macey [68] define organizational culture as a set of ‘shared basic assumptions, values, and beliefs that characterize a setting and are taught to newcomers as the proper way to think and feel’ (p. 362). These *proper ways of thinking and feeling* are continuously reviewed, reinforced, and communicated through ‘the myths and stories people tell about how the organization came to be the way it is as it solved problems associated with external adaptation and internal integration’ (p. 362).

Part of the process of creating and preserving an organizational community comes about through sharing, communicating, negotiating, and redefining the existing social and cultural norms of those who enter the organization. The culture provides cohesion for the organization and a sense of identity for its members. Often, but not inevitably, the cultural values that will become the accepted norms of the new collective are seeded by their leaders and founders. Subsequently, that defining and cohesive value-set becomes the accepted values of all organizational members through a process of inculcation and socialization [69].

The *experienced* culture—the one recognized and acted upon by members, rather than the one that is proclaimed or rhetorically espoused one—constitutes a pervasive *organizational climate* [70, 71]. Viewed together, organizational culture and organizational climate provide an insight into how organizational participants are most likely to interpret and respond to their shared experience. As Edgar Schein [72] observes, ‘to understand what goes on in organizations and *why it happens in the way it does*, one needs *several* concepts. Climate and culture, if each is carefully defined, then become two crucial building blocks for organizational description and analysis’ (pp. xxiv–xxv, emphasis in original).

5.3 *The Intersectionality of Cultural Classifications*

Intersectionality is a construct borrowed from sociology [73, 74]. It is the intersection of two or more categorical sets—diagrammatically, the zone in a Venn diagram where two or more circles overlap. Within that zone of intersection, included members possess two or more categorical identities that simultaneously exist, are important determinants of identity, but which can be independently salient depending on context. Sometimes, intersectionality produces an unexpected additive or compounding effect. By way of analogy, consider what happens when blue and yellow filters overlap to form something that is recognized as a new and unanticipated color (green).

Pager [75] explored how two separate social identifications—‘Black males’ and ‘White males’—interacted differently so far as a felony conviction record and employment opportunities were concerned. For the set that had felony convictions, it was possible to calculate the likelihood of securing employment compared with

non-convicted applicants. However, those within the set of felons those who were categorized as ‘Black’ experienced significantly lower hiring success than ‘White’ or ‘Black non-felons’. Pager’s [75] analysis suggested that categorizations based on a simple dichotomous attribute—felon/non-felon and Black/White—did not accurately predict future employment success. Rather, there was an intersectionality effect when ‘Black’ and ‘felon’ overlapped—a compounding of lower hiring chances for those simultaneously belonging to both classes. Indeed, ‘White felons’ were more likely to be hired than ‘Black non-felons’, demonstrating that ‘*race*’ continues to play a dominant role in shaping employment opportunities, equal to or greater than the impact of a criminal record’ (p. 958, emphasis added).

Although there is no consensus, many sociologists suggest that the complexities of intersectional experiences dramatically underscores the inherent problems of defining social categories—especially categories regarded as binary, dichotomous, or treated in isolation [76–78]. Indeed, in advocating an *anti-categorical* approach, Leslie McCall [79] argues that social categorization is a process that is inherently artificial and effectively exclusionary, suggesting that the ‘vexing questions about *how* to constitute the social groups of a given social category, which have often arisen in the context of empirical research, have inevitably resulted in questions about *whether* to categorize and separate at all’ (p. 1778, emphasis in original).

Intersectionality may play a significant—albeit under-recognized and presently under-researched—role in many areas of HRM work in which individuals possess two categorical identities related to gender, race, ethnicity, or culture (national and organizational) [80–82]. Culture categorization in most business school courses are usually simple, dichotomous (national/organizational), and treated singularly. This precluded, or at least significantly limits, any exploration of intersectionality by researchers, faculty, or students. However, in the real world, it is apparent that national and organizational cultures *do* result in intersectional complexities for organizational participants, management, and HR professionals—not only in multinational corporations, but also in all businesses that operate across national borders, or which have a diversity of workforce national cultures [83–85].

6 Using Teachable Moments When They Materialize

By their nature, most teachable moments are spontaneous and can arise at any point in the HRM course. They are inevitably initiated by a question—a question that materializes from a critical, reflective, or emergent appreciation of what is being studied and of what it might mean. Often, the question comes from the *learner* who is trying to make sense of what is being presented, but who senses that something is missing, or incomplete, even although it is unclear what it is. Learners, depending on the educational culture or the dynamics of the teaching-learning environments, might feel inhibited in raising the issue, or be concerned that such a question might only break the ‘flow’ of what is being taught. And, of course, teachable moments

and the questions that come before them *do constitute* breaks in the conventional or planned flow of many instructors' presentations.

Appreciating this, *instructors* might want to create a suitable teachable moment [16] by shaping the structure of what is being presented, or by providing scaffolds that might lead students to glimpse the possibility of some overarching issue connected with national or organizational culture. It is easy to see how culture considerations might easily flow into many of the functional considerations of the HRM course. For example:

- To what extent is the rationale for HRM in organizations compatible the assumptions, beliefs, and values of the (local) national culture? To what degree does HRM—as presented in the textbook or in the present course—project itself as a ‘universal’ (best practices) or a ‘contextual’ (best fit) discipline? What considerations might this suggest? In what ways might HRM achieve ‘best fit’ in firms located in different countries and geographic regions? [43–45, 86, 87].
- Do the ways in which job applicants are recruited and selected conflict with or espouse the values of an organization’s culture, and if so to what extent? How might firms ensure that they hire applicants who will be successful within their organizational cultural contexts? Might such biases and preferences be discriminatory? If they are, what might be done? [83, 88–90].
- If organizations do hire candidates who best fit their cultures, what happens when these employees are transferred to other organizational units that have different organizational or national cultures? What does HRM mean in a world of multinational corporations, globalization, migration, and international careers? What is talent management and in what ways might its goals and practices differ from HRM? [87, 91–93].
- Performance evaluation is always complex, but in what ways might national culture assumptions shape the evaluation criteria or be problematic in interpreting the results? Do the evaluation criteria match, or clash, with espoused organizational culture? How might employees respond to the process of evaluation and how might national culture assumptions be involved? What challenges might arise in evaluating the performance of a workforce that has high race and ethnic diversity? [94–96].

By their very nature, teaching moments abound throughout the teaching-learning experience. In utilizing them, several considerations should be kept in mind. First, teaching moments should never be forced, artificial, or contrived. They should occasionally punctuate the learning experience, never come to dominate it. Their value lies in providing glimpses of overarching considerations and connection, not in simply adding to content of the course. Their impact lies in promoting interest, further consideration, and novel ways of reflecting on learning, not in distracting or confusing.

Second, teaching moments allow learners to move beyond the restricted scope and delineation of the standard HRM course, and to provide insightful and valuable contributions to that study. They should be connected in ways that complement and

perhaps challenge the HRM study, not in ways that turn it into a cramped and ill-formed Organizational Behavior, International Business, International HRM, or Comparative HRM hybrid.

Third, teachable moments are valuable in furthering the understanding of learners by moving them beyond what they have already learned, by allowing them to reflect on other narratives and other knowledge, and by cultivating a spirit of critical appreciation, awareness, and discernment. They are not meant to distract or obscure. Fourth, teachable moments are best understood as valuable but relatively scarce. They should be used effectively and skillfully when they present themselves, but should not become the central thrust of the classroom pedagogy.

7 Conclusion

A bye-product of the ways in which the business school has been created and promoted is a fractured appreciation of the real business world. The courses that the business school offers often reflect this in their fragmentation, reductionism, and emphasis on functionality. Especially in the U.S. business school, Zander and other [97] consider that the legacy of Taylorism is evident among faculty, students, and graduates with students ‘more interested in mechanical checklists than they are in each other, and therefore rarely learn to apply their social learning to the workplace... [with managers] task and result-focused, and anything that distracts them from these regarded as a problem’ (p. 463).

Further, although HRM has grown in importance in the business school, its importance has not necessarily been accomplished by providing real-world solutions to real-world problems. Instead, as Kaufman [98] suggests ‘HRM’s upward trajectory may be over-stated because researchers have been unduly influenced by desire to provide the field the influence, status, and respect it has so long struggled to attain in companies and business schools’ (p. 214). Part of that desire for influence is reflected in a narrower and ‘scientific’ orientation in their research, scholarly publishing, and teaching [25, 99].

The problems of the business school undoubtedly require institutionally-led reform; however, this does not preclude individual instructors and students from recognizing these problems and from trying to reduce the damage that these institutional problems have produced. In this chapter, it is argued that there is a need to bring more breadth and authenticity into the HRM course. This might be done by connecting it more securely to the needs and realities of an increasingly complex, globalized, and diverse world. In particular, it is argued that HRM has to be better socialized and humanized for those who teach it and for those who study it.

A central theme in this chapter is that *teaching* and *learning* are mutually connected in a dynamic process that allows *instructors* to explore their disciplinary specialties and their teaching impact, and *students* to develop deeper and more considered understandings of what they are studying. The introductory section underscored this teacher-learning inter-connectedness by quoting Paul Ramsden’s

[1] aphorism: ‘the aim of teaching is simple: it is to make student learning possible’ (p. 5). It might then be appropriate to conclude with another observation by Ramsden.

Ramsden [1] suggests that *understanding* constitutes the most vital competence in academic disciplines and in the application of knowledge. Understanding—its promotion, development, and refinement—is the link between instructor and student in their teacher-learning engagement, in the business school and in the HRM course. Understanding is not simply being able to recall information presented in the course, or even being able to acquire or to construct new knowledge. Rather, for Ramsden [1] and for many other business educators, understanding is ‘the way in which students apprehend and discern phenomena related to the subject, rather than what they know about them or how they can manipulate them’ (p. 6). It is suggested that teachable moments can bring about just such understanding.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

The following questions might be helpful for both HRM instructors and students in reviewing this chapter. To provide optimal benefit, the reader might like to briefly re-read the section that seems to be connected with the question. Each statement requires a true or false answer. Answers, together with explanations, are provided in the section that follows these questions.

1. There is a growing consensus that the most significant problem with business schools is that they do not produce graduates who have a rigorous understanding of the theory of their discipline.
2. All disciplinary knowledge, including HRM, needs to be broken down into a logical sequence so that it can be taught effectively and understood by students.
3. The focus of most business courses is on analysis—that is, on reducing a complex situation into simpler and discrete issues that can be better understood, taught, and subsequently recognized in management situations.
4. Teachable moments only appear naturally and spontaneously during the teaching-learning encounter and cannot be anticipated, predicted, or forced.
5. Teachable moments, especially when structured by the instructor, provide a very good way of expanding the HRM course and of bringing it in line with other courses such as Comparative HRM and International HRM.
6. HRM is best described as a socially constructed discipline.
7. Organizational cultures always mirror the national culture of the country within which the organization is situated.
8. Intersectionality means the overlapping of two separately defined categories in ways that question the initial categorizations by producing unanticipated, additional and compounded outcomes.

9. Teachable moments might work in the HRM course because of its history and development, but they would not be useful in other business courses.
10. The desired outcome of any academic course—for instructors and students alike—is that the students involved should know the details of the subject matter and be able to apply and manipulate those details effectively.

Answers to Review Questions

1. **False.** Business school graduates usually have a good understanding of disciplinary theory. However, often they have not been taught to critically assess theory, explore the extent to which that theory applies in complex real-world situations, and develop global perspectives or understandings.
2. **True.** It is inevitable that knowledge should be broken into units in order to teach it. However, this raises a problem because knowledge—including that associated with HRM—is by nature interrelated and interconnected. Trying to present knowledge as a linear sequence or progression (linearization) inevitably breaks its continuity, fractures real and potential connections with other bodies of knowledge, and creates a logically defensible but artificial and unauthentic representation of real-world experience.
3. **True.** The dominant logic in devising the curriculum and in teaching subjects in the business school is analytical. Analysis is a crucial part of approaching many managerial contexts but, as indicated in this chapter, a preoccupation with analysis inhibits the more important functions of synthesis and of developing creative perspectives and solutions.
4. **False.** It is true that many teachable moments (when learner-generated) arise naturally and spontaneously in teaching. If they do, then they should certainly be utilized effectively. However, students can be encouraged/prompted to think in ways that make them question what is being taught and to recognize that there may be other possibilities, alternatives, and presently unconnected knowledge that could enrich their learning experience.
5. **False.** Teachable moments provide the opportunity to bring new knowledge into the HRM course, but that knowledge should advance the knowledge content of the course by providing new perspectives, critical re-assessments, and novel ways of connecting with other disciplinary knowledge (such as culture).
6. **True.** Unlike physics, HRM does not deal with realities that can be universally experienced, objectively measured, and independently validated. Instead, it deals with issues such as aptitude, talent, productivity, motivation, commitment, etc., the existence and nature of which are all socially determined.
7. **False.** It is certainly true that many aspects of national culture are reflected in organization. However, national culture is broad, statistically-based, and recognizes that not every individual in a ‘nation’ will possess the same values.

That variation is reflected organizational founders and the cultures they create in their firms. Organizational cultures usually reflect the values of their founders.

8. **True.** Intersectionality suggests that the experiences of individuals represent a combination of social classifications (gender, race, social class, etc.). The experience of ‘Black women’ is qualitatively different from those of ‘all women’ or of ‘all Black people’. It is suggested that the experiences of those with two cultural identities (national and organizational) will be impacted differently by the same HRM practices.
9. **False.** Teachable moments are valuable in all business courses. Contemporary business courses recognize the need to make connections with other bodies of knowledge and often include them (globalization, ethical consideration, corporate social responsibility, etc.). However, where there is no structural provision for introducing these issues, teachable moments can be valuable.
10. **False.** Knowledge of details and an ability to manipulate that knowledge is a beginning, but the desired outcome of the teaching-learning experience is increased *understanding*. Understanding is grounded in recognitions, appreciations, and connections that go beyond the prescribed or curricular limits of the subject matter being taught or learned.

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The Power to Change a Social System

Deane L. Harder and Kim O. Tokarski

Abstract The aim of this chapter is a short introduction to changing corporate culture from an evolutionary and systems thinking point of view. It highlights that some of the common observations in corporate culture are the outcome of adaptations of the human brain to complexity in social situations. Features like diversity and leadership play important roles in the ability to adjust a social system in response to internal or external pressures, however, these features are difficult to manage as typical human behavior in groups tends to favor other characteristics; there seems to be a bias against them. There are ways and means to accommodate for these behavioral preferences, but many of those options are indirect and long term and therefore need reflection, understanding, and a strategic perspective to implement.

The ability to change is becoming more and more important in business and society. Contexts are evolving at an increasing speed in terms of social, economic, ecological, and technological development. Well-known drivers are climate change, changes of work environments, changes of business models as well as changes of mental models. Companies have to learn how to react and adapt quickly. Two often-mentioned key elements in this process of adaptation are diversity [1–4] and leadership (and connected to leadership is the concept of entrepreneurship) [5–7]. Leadership, on the one hand, is required to steer the “corporate ship” with a steady hand to new horizons, often through “stormy weather of change”. Diversity, on the other hand, is considered useful as a broad set of differences in their personnel renders companies more resilient to changes in unforeseen directions and may shorten the time an organization needs to stabilize after change (the focus here is not so much on “visual” diversity like gender, race, or age, but more on behavioral or cultural diversity in general). These two key elements seem indeed essential for the successful company of the future. Unfortunately, human nature and the way most companies are set up often impede the integration of people who can provide

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or facilitate either of these characteristics. There seems to be a bias against diversity and leadership.

Humans are social beings. The rules and norms for interactions are partly hardwired in our brains, partly learned, and partly laid out as predispositions. Together, they form our mental models, which represent how the “real” world is perceived by an individual. Considering the history of humans in total, it is safe to say that the categories of social concepts used by a primitive tribesman twenty thousand years ago are still valid for a corporate middle manager today. When it comes to changing organizational behavior the question can therefore be re-phrased: How can you change tribal behavior present in an organization? This chapter introduces the concept of social systems, the definition of power in such systems, and why it is difficult to change a social system, and why HR has a hard time coming up with ways to foster leadership and diversity [8–10]. The goal of this essay is not to promote another short-lived management fad but rather to help aligning interventions on organizational behavior with human nature and to expand the understanding why having biases is normal.

1 The Human Brain is Geared to Understanding Complex Social Interactions

Darwin’s paradigm of the survival of the fittest is still valid. The notion of fitness, however, is often skewed in discussions about evolution. It is important to stress that fitness does not mean strength, reproduction rate, or specialization. It means the ability to adapt to a given or new situation. Humans and their ancestors have demonstrated this ability over the last few million years. One typical evolutionary strategy used to adapt is the conservation of energy. The same can be observed in social systems as the so-called principle of least effort [11–13]. When it comes to humans, individuals, or whole groups of people can—in a casual manner of speaking—be perceived as lazy or at least reluctant to move unless they have to. Although this might be true in general, there is a considerable spectrum of how strong this principle is active in individuals. As the direction of future needs for adaptations is unpredictable, it is, from an evolutionary point of view, advantageous to have a large diversity in the gene pool. So there are plenty of people that like to run around and waste relative large amounts of energy. But by and large, humans tend to save as much energy as possible. This is still true today and leads to all sorts of consequences from obesity to resistance to change in society or organizations. As the brain takes up a disproportionately large amount of oxygen and blood sugar (the brain is responsible for about 25% of the energy consumption of the human body [14]), it can be concluded that thinking is a very energy-consuming activity. Thinking is obviously useful, but for the sake of evolutionary survival it should also be restricted to a minimum. So, maybe our species should be called *Homo sapiens iners*, the thinking human of the lazy kind.

People often complain about the complexity of their work, especially in today's business environments. They feel overwhelmed and desperately try to simplify their situation or their surrounding system to reduce complexity. This in turn often leads to oversimplified mental models of the world as they perceive it. This is understandable from the above-mentioned energy-conserving point of view as the feeling of overwhelm can be very costly. Unfortunately, they throw out the baby with the bathwater in many cases as it is also human nature to excel at dealing with complex situations. Compared to other animals, the degree of complexity a human can comfortably deal with is phenomenal. This is particularly true in social situations and very likely one important success factor why humans could develop the kind of civilizations we have [15]. There is, however, an important caveat in this line of argumentation. The human capacity is larger than in other animal but still restricted. Modern societies put excess strain on the individual capacities to decipher and interpret complex social situations. Therefore, the problem is not complexity as such but its excessive magnitude that stresses people.

In the course of evolution, the human brain developed to comprehend complex social situations, because humans had to deal with interactions "within their tribes". To this avail, the human brain has two thinking systems—the slow one and the fast one, as described by the Nobel laureate Daniel Kahneman und Amos Tversky [16]. The slow one is reflective and is used to evaluate situations with uncertain outcome. The fast one is automatic, for where a gut feeling or intuition or habit will allow handling a situation efficiently. This automatic system is designed to save energy. Whenever possible, humans will therefore try to grasp a situation and navigate its social complexity with the fast thinking system rather than trigger the slow, in depth, conscious but costly thinking system. We master most social situations on autopilot (and not only social situations but also situations in which decision processes are included).

Social behavior is a group phenomenon. The level of complexity of a social situation depends on the number of group members and the intensity of interactions. The more intense common interactions are, the fewer people there are in a group. The more shallow or casual common interactions are, the larger a group of people can be without causing overwhelm. A family can be characterized as a small group of people with intense interactions. By the same token, the typical span of control for managers is somewhere between six and 15—reflecting the need for intense interactions. In contrast, the total sum of subordinates can easily exceed several hundreds or thousands, however, the level of intensity is considerably lower or even negligible. This is of course greatly generalized again, and the bearable intensity of interactions also depends on other factors like familiarity, level of qualification, or social competence. Accepting this generalization can lead to another interesting side-effect of this mental restriction: the perception of people as human beings might change to one where people are perceived more as objects or resources. On the one hand, this may give some hints why many employees experience global corporations as de-humanized. For the discussion of change, on the other hand, it is noteworthy that there seems to be an implicit understanding how

resilient the mind of a manager is when it comes to the definition of the size of corporate units and what kind of behavior is humanly possible—in principle.

Behavior changes with group size. There is a large body of evidence from evolutionary psychology that there are group sizes typically associated with the various levels of complexity. The so-called Dunbar's number (see Fig. 1) is named after evolutionary anthropologist Robin Dunbar and delineates group sizes according to the complexity of interactions, creating a series of numbers that goes from 5, 15, 50, 150, 500 all the way to 1,500 [15]. These are not absolute or rigid group sizes, more like averages of what is typical for both, group sizes and individual capabilities to comprehend the complexity involved. Humans will intuitively draw the line at the different group sizes, for example, core family-like groups with approximately five members, larger family-like groups with 15 members, extended family or clan with 50 members, tribe with 150 members. This last number is cited most often as the threshold that the human brain can cope with to maintain stable

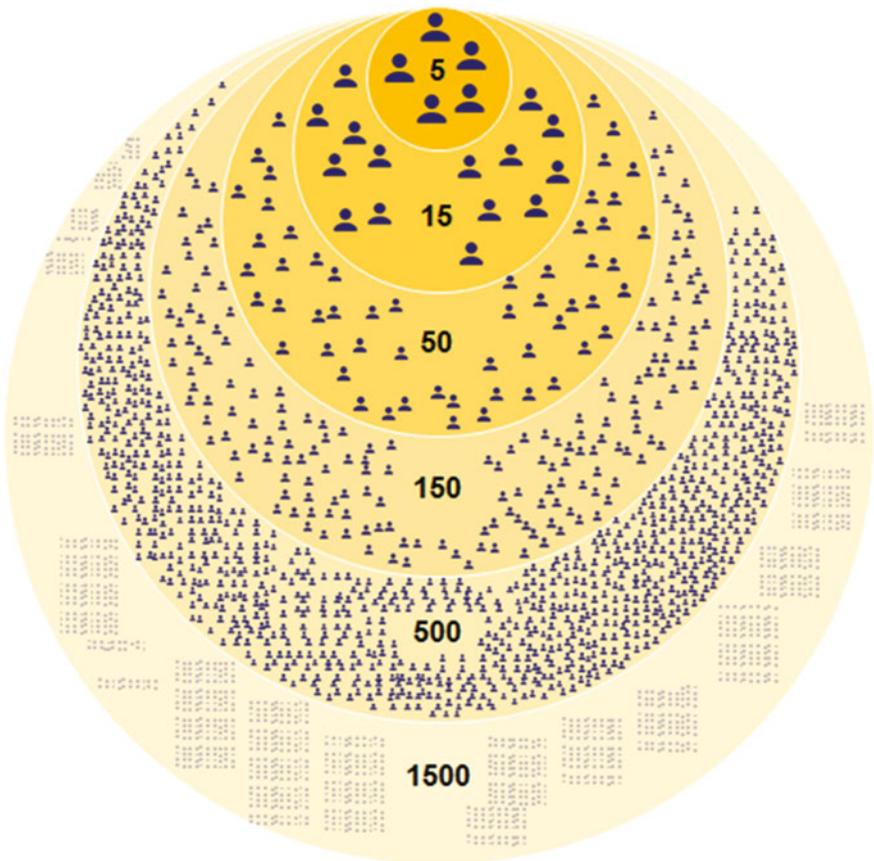


Fig. 1 The so-called Dunbar's number of typical group sizes

and active relationships, which is quite a presumption if you imagine you have to deal with 150 people and may have the aspiration or need to remember conversations you had with them over an extended period of time. Again, this is a rough estimate of the average; individual capacities for this level of interaction may range from 50 to 250 members within a social network. And instead of a tribe we might be dealing with a unit of a company, or people of a small or medium sized company.

There are social differentiations between groups of different sizes regarding norms and rules and the behaviors that we display accordingly. Culture, group dynamics, and change may work very differently at the different levels. Dunbar's number helps to understand how the human brain segments crowds of people into mentally digestible groups. This is the reason why silo thinking is hard to come by and often not worth to fight against. It is human. We think in categories of in-group and out-group and it is a matter of group size when we start to argue in "us versus them". The capacity of our brains restricts the group size that we can deal with in depth. Anything beyond 150—on average—is also beyond our comprehension, we suffer from overwhelm if we have to participate in social interactions even in moderation at this level of intensity. Instead of wasting a lot of effort in overcoming silo thinking, it may therefore be more productive to encourage social interactions between individual group members who act as ambassadors (similar to the linking pin model suggested in the 1960s and 70s in organizational theory) and let the groups exist in their silos to reduce the risk of overwhelm. Accordingly, when it comes to change, one size does not fit all and standard content-driven approaches to change management will subsequently almost always fail (process-driven approaches are a lot more promising).

2 Social Interactions Can Be Interpreted as Behavioral Patterns or Communication Structures

Communication is a bidirectional exchange of information, followed by its interpretation and evaluation. Information is conveyed verbally, non-verbally, and para-verbally. Based on this definition, there is no difference between social behavior—that is, behavior that involves more than one person—and communication. We cannot but communicate when we interact with others, or as the communications theorist Paul Watzlawick put it: "One cannot not communicate" [17]. As a consequence and at least for this line of argument, established and routinely performed social interactions are synonymous with the terms "behavioral patterns" and "communication structures". This is one of the basic assumptions of systems thinking, at least of the school of thought represented in this article (Figs. 2, 3 and 4).

Communication usually has a purpose. Accordingly, communication structures differ fundamentally between different group sizes and contexts. There are social differentiations between social systems and subsystems therein. Small, family-sized

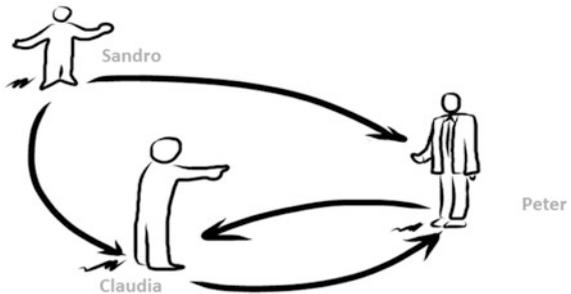
Fig. 2 Information is conveyed verbally, non-verbally, or para-verbally



Fig. 3 Communication is a bidirectional exchange of information, followed by its interpretation and evaluation



Fig. 4 Social interactions can be considered synonymous with the terms “behavioral patterns” and “communication structures”



groups may foster a more intimate, personal, and emotional form of communication. Larger, company-wide groups may focus on decision-driving communication [18]. As a member of the social system “company” it is subsequently vital to be able to quickly assess the relevant group size and its predominant form of communication. The easiest way for this assessment is to recognize familiar overall patterns rather than analyzing a concrete subset of social interactions displayed in a specific situation. Therefore, establishing predictable communication structures is very efficient and they come with a large sign saying “No surprises, please!”

3 Corporate Culture as Emergent Property of a Social System

People that interact in an organization can be described as a social system. A social system is defined by its boundaries, elements, and structures. The boundaries are the physical or mental borders of a company and the structures are the observable behavioral patterns, which have become quite fluid over the last decades. The elements are a bit more difficult. In some schools of thought, the acting individuals would be labeled elements [19, 20]. In other theoretical frameworks, the typical behavioral patterns between two individuals are called elements (the arrows in Fig. 5) [21, 22]. This latter definition of elements will be used here. It facilitates the understanding why most individuals conform to the system, even if they want to change some aspects of organizational behavior.

The total of all relevant organizational behavioral patterns can be summarized by the term “corporate culture”. In short, it defines the rules and norms of social interactions in an organization. These rules and norms can be explicit in the shape of documents, corporate design, architecture, clothing, language, or other artefacts that are directly visible or perceivable, or they can be implicit and invisible as “the way we do things here” like norms, values, or worldview in general. A thorough understanding of these communication structures is essential if employees want to succeed in a specific organization. They need a “cultural satnav” to navigate the various social situations typical for their work environment.

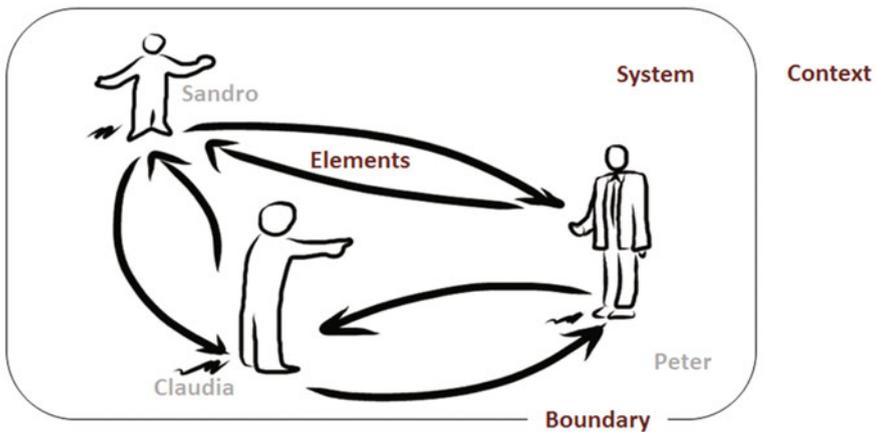


Fig. 5 A social system is defined by its boundaries, elements, and structures

4 Communication Structures Develop Spontaneously and Irrationally

Spatial proximity creates friendships. This well-known phenomenon is one of the governing factors in the creation of social systems [23–25]. Another one is previous experience. Another one is existing acquaintances. Another one is likeness between two people. Another one is personal preferences. Another one is happenstance. Another one is ... surely one that can be identified in any given situation. Overall, this broad range of factors acting in unison, in various combinations, or separately, results in almost endless permutations of possible social interactions, making them inherently complex. If these are repeated and established as a routine, new communication structures develop. The various links between people, their strengths, and temporal dynamics do not follow a premeditated plan and are, as a whole, beyond managerial control. Thus, it can be concluded that communication structures in a social system develop spontaneously and irrationally. So, any attempt to build up a certain corporate culture according to a masterplan and the associated “right” perception of information within communications is usually a hopeless endeavor—aiming communication, however, can be very appropriate, of course.

As there is no pre-defined “right” or “wrong” with communication structures, they always need interpretation. Only through interpretation do they get meaning. This makes the overall communication process ambiguous. Dealing with and tolerating ambiguity are therefore useful coping mechanisms to handle complexity in a social system. A good piece of advice is not to fight complexity but accept that as a manager you cannot control corporate culture. Another one is not to blame individuals in a complex situation if things do not go according to a plan. And maybe as a third recommendation: try to experiment with change instead of defining it in a board meeting. This does not imply that a manager is not able to influence people or influence their communication or the system in general. But instead of trying to control each and every aspect of a system it might be wise to think of “playing the right levers” and how to structure the boundaries and explicit rules of a system as well as the nudges to foster self-organization. Carefully design a system with a purpose in mind and create incentives to encourage certain behaviors so that people can interact in a way that supports this purpose. With this approach, corporate culture becomes more like a garden with a diversity of plants that need tending rather than a machine that can be put together (Fig. 6).

5 A Social System Can Be Managed but Not Controlled

A social system is a purely intellectual concept. It only exists in the heads of people observing the elements and interactions within the boundaries of the system (regardless if these elements are explicit or implicit). It cannot be placed on the table to be scrutinized by the group members to agree on a common perception. Rather,

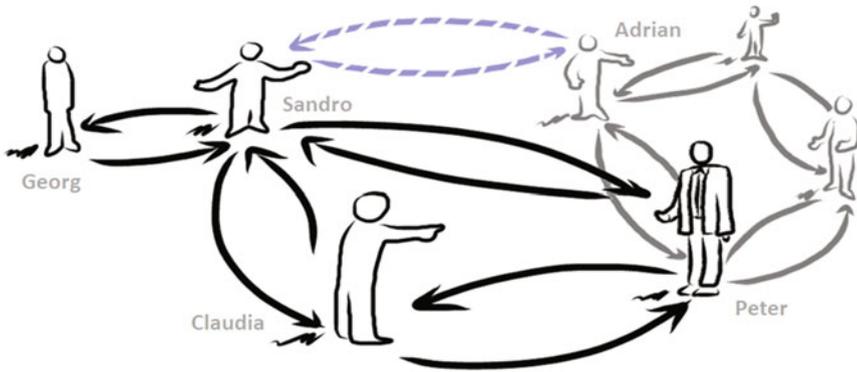


Fig. 6 Communication structures develop spontaneously and irrationally

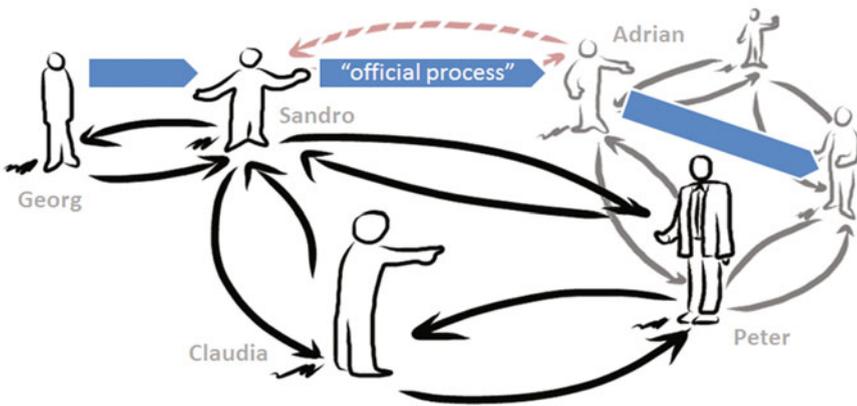


Fig. 7 Social systems cannot be controlled as they are purely intellectual concepts

each member has their own version of the “reality” of the social system. These realities hopefully overlap largely, however, there can also be considerable discrepancies. A common management adage claims that only what is measured can be managed. Social systems usually not only elude quantitative assessments, in most cases it is not even clear what the shape and state of this construct looks like. It can still be managed, as any football team can serve as proof, but it cannot be controlled as it is hardly ever possible to identify all acting factors and predict their behaviors in time and their interplay with each other. Or put simply, managers cannot control the minds of their staff (Fig. 7).

Every social system is unique and, as a consequence, every corporate culture is unique. This is based on the presupposition that communication structures are not necessary logical and develop from interpretations of information about reality rather than reality itself. If I say “Look at this apple pie on the table”, it is fairly easy

to find commonalities in the observations and interpretations of reality among different members of a social system. If someone else proclaims that “there is cake on the table in the cafeteria”, it becomes more difficult to find common ground. What kind of cake on which table? The mental representation of reality will differ among people who listened to the statement. It gets worse when the CEO boldly declares that “there are great opportunities if we focus on our top priorities and create a convincing customer experience”. We cannot represent reality directly. Instead, we conjure up a model or map of reality, where we link all information together and place new pieces so that they fit the overall picture and generously fill in the white spots without even noticing. This is what everyone does and again, it is just human nature. These mental processes can cause a great deal of frustration and conflicts, however. This happens in particular whenever people mistake the map for the territory [26, 27]. When we talk about organizational behavior, it is something that can be observed. When we talk about the governing norms and rules of the social system, it is an abstraction, a mental model in multiple varieties. Accordingly, this school of thought is called constructivism and corporate culture is a prime example of how the human mind constructs a model of reality, its own (personal) reality that has to be “negotiated” with other people’s realities to find common ground or shared reality. This negotiated map of reality is not based on rationality but whatever commonality there is. Or as the systems thinker Fritz B. Simon points out: every organization has the right to its own version of madness [22]. And this might be true not only for organizations ...

Corporate culture is the sum of routinely displayed organizational behaviors. These routines are flexible to a certain degree and evolve. So we have to watch the subtle variations and adjust our own behavior. It is like a language that changes slowly over time—hardly noticeable from day to day but if we are away long enough we will not be able to understand how people talk to each other anymore. This process of adaptation is happening constantly. This is one of main reasons why the concept of home office only works to a certain extent—there is not enough social time to observe and integrate the continuous flow of minute changes in the communication structures. Thus, home office often can be used to foster an efficient processing of predefined work, but is less suitable for more creative tasks or group processes, in which a personal exchange and communication is essential. This is also one of the main reasons why the concept of open-plan offices does not work—people are overwhelmed by the deluge of behavioral information, they cannot concentrate as they have to switch on their slow thinking system too often just to check if there are any relevant pieces of behavioral information to digest. Being part of a well-greased corporate culture therefore means being able to read and integrate the trickle of daily changes without overexerting your capacity for assessing social situations. Routine-based social rules and norms thus help to reduce overwhelm, but we need to calibrate frequently.

6 Social Systems are Self-sustaining and Self-stabilizing

If a system accepts an impulse, it will react. Maybe the reaction is tiny and hardly perceptible. Nonetheless, the system reacts. At the same time, the system will react in a way that it can reach a state of equilibrium as quickly as possible to save energy. The closest state of equilibrium was the one just before the impulse. Therefore, the system will change as little as possible, making communication structures self-sustaining and self-stabilizing. The main paradigm is to save energy. So systems are “lazy” as mentioned in the beginning of the chapter. Inertia in the face of change is therefore natural.

The self-sustaining and self-stabilizing properties of social systems have some far-reaching implications. If an employee is fired, for example, because he or she was not as effective as expected, there are three options in principle how the system will react to a newly hired replacement:

- The new one tries to change things and succeeds—he or she will be recognized as a mover and shaker, possibly with considerable leadership qualities.
- The new one tries to change things but does not succeed—he or she will have to go after the probation time, as he or she “simply does not fit in”.
- The new one fits in—that means things do not change much, the communication structures remain easily recognizable, business as usual, but perhaps also no improvement of the situation that led to the lay-off in the first place.

The latter is also the reason why most managers preferably hire people that are similar to themselves in terms of their thinking or mental models. Or they tend to hire people that are less likely to create an impulse for the system so that they are not threatened by new employees—the first of the three bullet points mentioned above might otherwise come true and newly hired people get successful and thus create a rather unpleasant situation for many: change and the need to invest energy again ... This attitude can subsequently lead to a downward spiral in competences: top-rated A-people hire B-people, B-people hire C-people and so on, which over time will have a detrimental effect on the overall performance of the company and no-one to blame.

So one of the interim conclusions that can be drawn is that cultural fit is very important. We, as highly evolved social animals, react to the slightest indications of how well someone fits into the system. Fitting into the system means predictable behavior and thus saving energy. Saving energy is the paramount priority – unless we want to change the system, of course. The self-sustaining and self-stabilizing effect, however, is mostly perpetuated by superiors—the same people who are often mandated to change the system (Fig. 8).

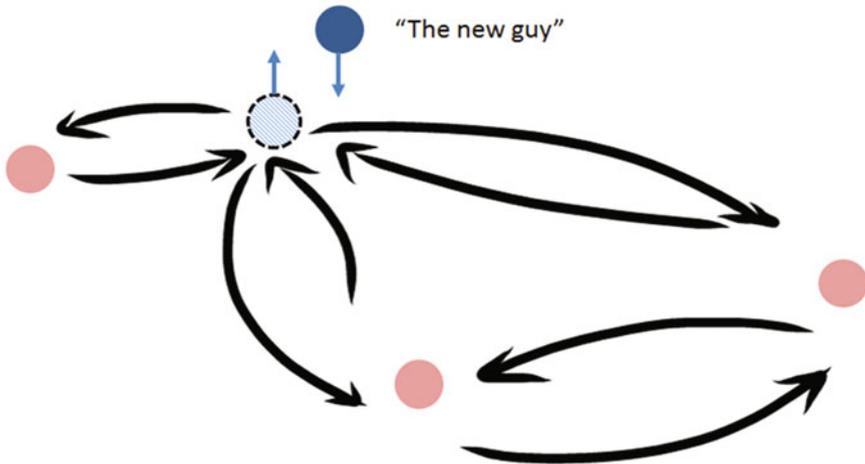


Fig. 8 Social systems are self-sustaining; replacing one person will in most cases not considerably change the communication structures

7 Cultural Diversity Means not Playing by the Rules

Social norms cost energy as any form of compliance means an effort to adjust behavior. It is a necessary tradeoff because even though it costs some energy short-term, it can save energy in the long run as the behaviors of others become more predictable. This means that in a change, an individual has to invest energy in communication but the system as a whole will alter its energy level to a new and lower energy state in due course. The overall energy balance is expected to be positive and thus acceptable—as long as the norms apply to everybody. As soon as individual members of the social system can dodge the norms and get away with it, the social system becomes unstable. So, this is a good argument for implementing a just corporate or social system and for having some “rules” on ethics and compliance (but keep in mind that there are several theories and practices of how moral justification of actions in terms of different ethical approaches can be realized. There is not “one” ethics or justification). This is the conceptual base of a simple 2×2 -matrix that Jack Welch, former CEO of G.E., used to sort out his employees [28]. If employees share the predominant cultural values of a company, there is not much to do—make sure that there are no obstacles in the way and let them run. If an employee neither shares the values nor performs convincingly, let him or her go. The next case is a bit trickier. If the employee shares the values but does not perform, the norm strategy is to keep this person, but try to shift him or her to another function or unit. The last case is that the employee does not share the values but is performing well. This is the toughest case, because the recommendation is to let this person go as he or she can be very detrimental to the corporate culture. The underlying assumption is that it is easier to close a gap in performance than to mend

a bent culture. Values are more valuable than performance. As a consequence, once cultural norms and rules are established and deemed conducive to the evolution of the company, this kind of value compliance—or better: commitment—should be high on the priority list (Fig. 9).

Diversity is a good thing and usually increases the resilience of a system. It keeps it in a mode of alertness and creativity in terms of innovation compared to a (often) highly efficient but non-creative systems. Diversity in this context can be interpreted as a broad range of acceptable communication patterns in a given corporate culture. The feedback loops in social interactions are not clearly defined and the elements are only loosely coupled. This will in turn create behavioral uncertainty—an unpleasant feeling that most will try to avoid. In addition, this kind of uncertainty requires energy to analyze any given interaction with someone who does not play by the rules. Diversity thus means for a lot of people that they have to use their slow thinking system instead of the fast one. In other words, diversity feels bad and costs energy.

Although diversity is a property that has many advantages in theory, it is often not really accepted or hard to implement. The need for inefficient, costly slow thinking is one of the main reasons why fostering diversity is so difficult, especially within an existing social system. Furthermore, it becomes quite plausible why deviating behaviors are not appreciated. There is a bias against being different because people try to be efficient with their psychological resources. Sticking to the rules is a more efficient way of dealing with communication patterns. Cultural compliance is subsequently heralded as something very important. Compliance, however, is a form of streamlining and thus the opposite of diversity.

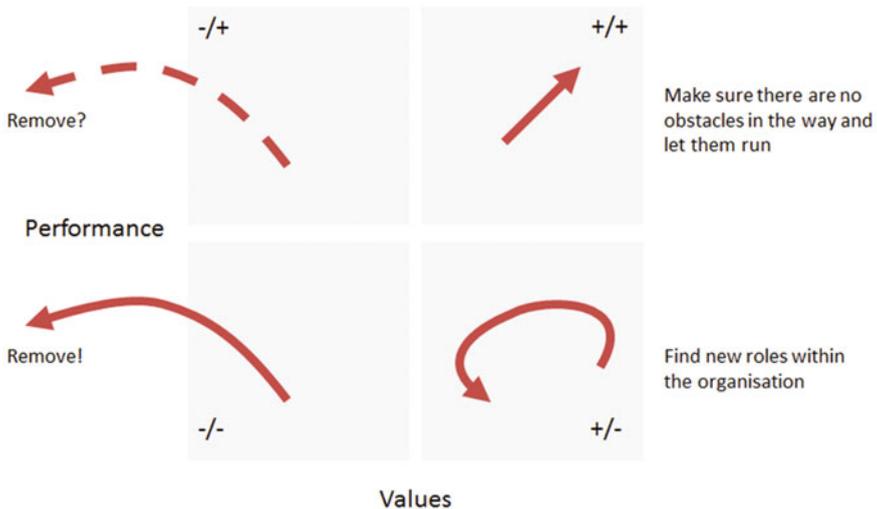


Fig. 9 2 × 2-matrix of values versus performance of employees and norm strategies

There needs to be some kind of predictable behavior to integrate a diverse spectrum of people in a social system. This can be done and luckily, there are good examples to illustrate, well-documented in scientific literature. A reality check is advisable, however. Obviously, it is considerably easier to foster diversity if the industry is more diverse to start with, e.g. in music or fashion business, or if a company defines cultural values that cherish diversity right from the start. Diversity can then be built into developing communication structures. However, it will pose a formidable challenge to the majority of companies to change their grown corporate cultures to allow for more diversity. Most will be sending out mixed messages: “Be different, but, please, fit in.”

8 Change Means Changing Communication Structures

Changing organizational behavior is notoriously difficult. Some authors estimate the rate of failure of change initiatives as high as two thirds [29]. The knee jerk reflex of many managers is to find “the” reason for failure. From a systems thinking point of view, this endeavor is futile. There are a lot of factors at play and the dynamics of feedback loops and time lags are probably more important than any individual factor. Even though it is of little use to ponder on potential factors that led to failure, the more operational reason is that social systems are self-stabilizing. Whatever happens, a social system will change as little as possible. But if we assume that a system changes noticeably, what is change? In our systems thinking model, any change is a perceptible shift in the behavioral patterns, in the communication structures. If we accept this presumption, we can debunk the argument most often stated for failing change as trivial: “The change failed because of insufficient communication”. If change is a shift in communication structures and this shift did not happen, then obviously the communicative impulse was not strong enough—it is like proclaiming that your favorite football team lost because it did not win ... it is true but does not help. This is a nice example of a tautology. A tautology is theoretically correct or true but it delivers no empirical or practical value.

9 Bringing in New Ideas Requires the Decoupling of Links and an Impulse

As social systems are self-stabilizing, it takes quite a punch to change. The impulse to change needs enough power to shift the existing patterns of communication structures. A shift is easier if the links between elements are already a bit loose or decoupled. This decoupling can be achieved through disrupting everyday routines with workshops, town hall meetings, or moving everyone to a new office building

(OK, quite an effort for, let's say, several thousand people. But worth the energy). Any variation of one of the stabilizing factors of the social system can decouple elements, however, it may take some experimentation to trigger the relevant levers so that the decoupling becomes apparent. Alternatively, the impulse needs to be very strong. A system with weak couplings might react to more conventional interventions. A system with strong couplings might require an adequately disruptive impulse like a turnaround, the acquisition of a competitor, or a new CEO. So, decoupling is useful, but not enough. The actual works starts with changing beliefs and values and everything else that makes up a corporate culture. Whatever the interventions looks like, if we stick to the model of shifting communication structures, the impulse needs to be in BIG LETTERS.

10 Power as the Ability to Change Communication Structures

Power is the ability to move things. In a more figurative sense, power can be defined as the ability to shift the predominant patterns of communication structures in a social system. It is important to note that power and hierarchical position do not have to coincide. They can and they should in most cases, but sometimes they do not. In some companies, there are hidden power players. Also, power is not a feature or competence that anyone brings to a social system. Rather, power is given to a person by the group members within the system. This is the reason why a new CEO will be judged in principle in one of three ways:

- The new CEO does not change the system notably—the new CEO fits in and cherishes continuity. If this is OK, then there will be no or little perception of resistance.
- The new CEO tries to change the system and succeeds—the system has given power and allowed the new CEO to drive the shifts in the system. The new CEO is heralded a great leader. Again, if this is OK, there will be no or little perception of resistance—taking a closer look it might be different for individuals, of course.
- The new CEO tries to change the system and fails—the system has denied power and did not allow the new CEO to drive the shifts in the system. The new CEO is considered impotent and has to leave again—the perceived resistance was too great.

These scenarios are very one-dimensional, of course. Reality is a lot more intricate and complex than illustrated in these examples, although the general tendencies of how companies react as social systems are probably best illustrated with cartoon-like descriptions. The important thing to remember is that despite the fact that quite a few managers and CEOs like to create the impression that they have power because of their hierarchical position, it is the group that gives power.

But we promised that this chapter is also about leadership. How does the concept of leadership fit into these explanations? Let's see.

11 Leadership Combines Power with a Vision

Leadership can be defined as working *on* the system in pursuit of a vision—in line with the saying: “You manage things, but you lead people”. This is in contrast to what most employees and even managers do: they work *within* the system. They work in the system doing their tasks each and every day, often in an energy minimizing way. This is particularly true if people are stressed, like many middle managers. Moreover, it takes a lot of power to work on the system but wielding power needs to be practiced. As this kind of practice is in contradiction to “playing by the rules”, this has some serious implications for learning & development programs of high potentials in corporations. Basically, young managers have to learn how to comply with social norms to be accepted. This in turn is a prerequisite for success and a career in a corporate environment. At the same time they are sent off to clever leadership courses where they are supposed to learn ways and means to change the rules. Subsequently, this is often very confusing and again, many organizations are sending out mixed messages: “We need and want leadership, but only if you don't rock the boat”, a more professional way of saying “Let me have my cake and eat it, too”.

True leaders have to cope with a heavy load of risks and other uncertainties. When they change the system, they cannot rely on predictable behaviors but often have to deal with situations using their slow thinking system, draining their energy. They have to cope with group sizes and levels of complexity that are often beyond their capacity. Social situations but also decisions become more difficult as they are not unequivocal. The challenge is to act in the face of high degrees of uncertainty without getting too stressed out. An important trait of leaders is therefore the tolerance to dealing with ambiguity.

Leadership is an extreme form of power conveyed by the social system. But even in situations where the structures are not re-defined, power plays an important role. Going back to the tribal origins of humans, social rank or status is a topic of constant fighting, negotiating, and comparisons. So there is a hierarchy within any given system, although it is not static, but fluid, representing power as defined here and changing as the context changes. And the importance of power is not uniform across the social system. There are always individuals with a great desire to increase their power and there are individuals that are more or less content with their situation. An increase in power comes with greater risks and not everyone is willing to bear this additional risk [30]. A large part of the members in a social system will not actively participate in any kind of power play, at least not most of the times. As a consequence, the usefulness of (non-system-thinking) leadership training programs is questionable, when they only focus on “the right tools” instead of the understanding of communication and social systems. To foster leadership, a

development program with focus on personal competence and reflections of mental models, ambiguity, and social systems are therefore probably more promising.

12 Change Starts Top Down

When the predominant or acceptable behaviors change, people start to do some internal accounting. The development of new communication structures cannot be planned in a controlled manner, but the direction can be pointed out. There should be a conceptual funnel for the development of specific organizational behaviors. The boundaries of this funnel can be defined as social proof and personal benefit. If these boundaries are not clear or too wide, nothing will happen. Making the funnel perceptible, however, can be a daunting challenge for the majority of managers as it is again just a mental concept and therefore hard to grasp (Fig. 10).

Social proof is what people look for in unfamiliar or uncertain situations [31, 32]. If the acceptable or expected behavior is not clear, most people will look around and observe what others are doing. They will then deduce the acceptable or expected behavior and copy it (copying is a very basic and essential form of how we learn as humans). If the observed person has a high social status, i.e. a form of power, then this kind of behavior will be copied more readily than other kinds of behavior of surrounding individuals with a low social status. This is the main reason why change has to start top down and why (top) managers have to act as role models. There are interactions and feedback loops that originate bottom up, of

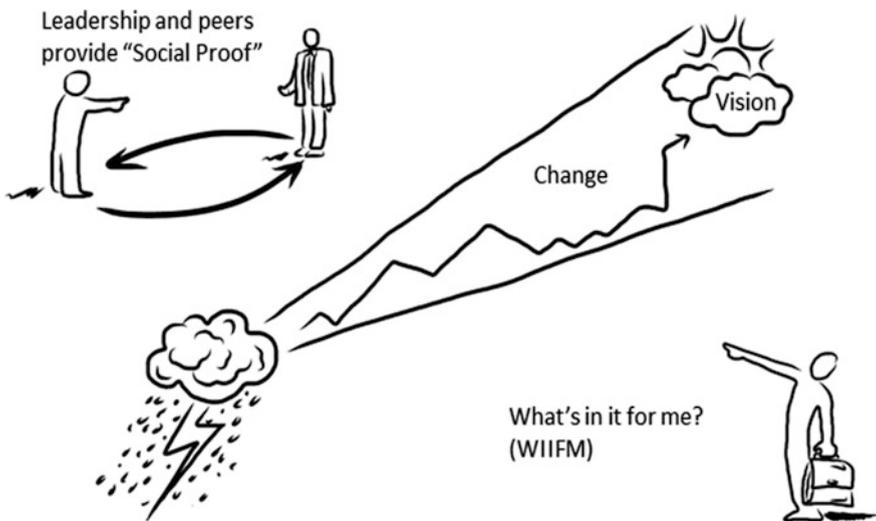


Fig. 10 Change happens within the boundaries of personal benefit and social proof

course. But basically, the boss has to walk the talk—visibly—to make change happen (Fig. 11).

Personal benefit is the polite version of saying “what’s in it for me?” or WIIFM. If people do not see their WIIFM they will be hesitant when it comes to change. Systems thinking is quite distant from the concept of the *Homo economicus* (e.g., self-maximizing, opportunistic, non-value-driven), although some observations about human nature that led to this concept are very likely valid, at least sometimes. Once we engage in slow thinking, we often start evaluating a situation and considering previous and future investments. These investments are not financial, but can be emotional, social, temporal, or any other resource that we have and that we might link directly or indirectly to energy. The expected return on investment can be good feelings, social status, power, or anything else that drives us to action. If a proposed change is not convincing, people will start to display certain types of behavior to avoid the instability of change that can potentially endanger past or future investments. One common concept to do this is BOHICA or “bend over, here it comes again”, when people are getting increasingly tired of adapting to another shift in their social system. This kind of behavior is thus simply an attempt again to save energy. The interpretation of conventional managers, however, are often more along the line of judging people as inflexible, listless, or resistant. If it comes to a situation like this, there are two misconceptions at work: the apparent emergence of resistance to change and judging people by their behavior. Both misconceptions will be dealt with in the next paragraphs. The take-home message here is that if members of the social system cannot see their personal benefits, they will react with

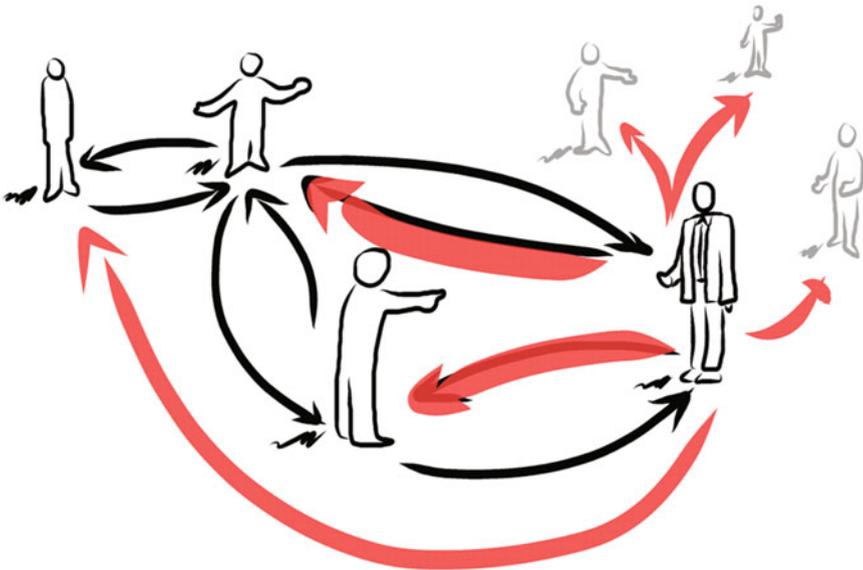


Fig. 11 Change has to start top down as visible power is required



Fig. 12 Many people become experts at avoiding change to save energy

catchy acronyms and display behaviors that will stabilize the *status quo* of the system (Fig. 12).

13 Judging People by Their Behavior in a Specific Context

When people demonstrate forms of resistance, they often get judged by the management. They are labeled as stubborn, obstinate, obstructive, narrow-minded, backward-looking, or with something else that will badly reflect on them in their next performance assessment. What many fail to realize is that behavior is strongly context-dependent. Resistance to change, for example, might often actually be better described as a reflection of insufficient on-boarding of staff by top management. People are not resistant; they show behavior that can be interpreted as resistance in a specific situation. A subsequent and less than perfect performance assessment can therefore be rather a testimonial of managerial incompetence than anything else. Presumably, most managers will not be particularly open to this worldview, because it means that they have to start with themselves and reflect their behaviors as well as actions continually. It does give, however, some indications why conventional performance assessments might not be a particularly useful tool for staff appraisal.

14 Resistance as a Lack of Compatibility

Change often meets resistance. There are various expressions for resistance. It can be verbal, para-verbal, or non-verbal, aggressive or passive. Regardless of the expression of resistance the outcome is always the same: new behaviors are not

adopted. People obviously do not see enough WIIFM in the proposed behaviors or no need to play by the new rules because their superiors do not stick to them either. There is no motivational link between the new and the old behavior, subsequently, no change will happen. Resistance can therefore be interpreted as a lack of compatibility with the motivational structures of people supposed to undergo change. Conversely, it is mandatory to find out about these motivational structures to make change management measures more effective. So, resistance is ultimately a matter of evaluating personal cost and benefits over time; in a sense a classic business case that has little to do with the derogatory perception of many managers of change management being a “feely-touchy” topic. Quite the opposite, change management should possibly be treated as a key skill for managers.

15 Conclusion and Outlook: Breaking the Patterns

The human brain is geared to constantly assessing social situations in a tribe. Companies that work like a tribe are therefore aligned with the cognitive equipment of most people developed in the millennia of human evolution. Companies that use the mechanisms of a tribal culture but have scaled the organization beyond the comprehensive capacity of the human brain suffer from a degree of complexity that few can deal with. Companies that fight high levels of complexity by oversimplification tend to treat social systems like machines and blame anyone and anything but themselves if this approach fails. The reality in most companies is probably that there are elements that comply with evolutionary requirements, elements that generate overwhelming levels of complexity, and elements that are machine-like. Although this is an acceptable picture of reality for most managers, the question remains how to shift the proportions and develop the system.

One of the biggest challenges for companies is to find the right balance between reliability and adaptability [33]. Both are necessary but usually one of the principal features is favored. Companies lose their ability to adapt to a changing environment if they standardize too much for the sake of reliability. If they favor adaptability uncritically, they become fragmented and get bogged down by small-scale solutions to company-wide problems. Traditionally, most companies were organized by managerial hierarchy in a slowly moving world. Subsequently, the balance leaned towards reliability. Today, many companies face challenges that ask for adaptability, like being innovative or adapting and creating new business models. As a consequence, many companies have started to experiment with alternative organizational models and self-managed teams to make them more flexible, adaptable, agile, or whatever they call the trait that helps them to survive in rapidly changing environments. Instead of having a fixed structure, they use structuring processes, shaping communication structures as they go, shifting the balance towards adaptability without forfeiting reliability. Changing the social system of a company becomes a requisite for survival.

So how do you change a social system? Some recommendations can be derived:

- Organize change top down and make sure there is plenty of visible social proof by superiors and other powerful stakeholders, like IKEA's founder Ingvar Kamrad flying economy.
- Learn about the motivational structures of people subjected to change and clarify the WIIFM to get their commitment like G.E. does with their WorkOut method [34]: a framework to facilitate changes with boundaryless behavior beyond rank, function, geography, or culture in a "time out" context away from the typical workplaces and their bureaucratic practices with focus on participation and on the spot management decisions.
- Identify existing leaders or recruit them rather than trying to transform conventional managers into leaders as Google tries.
- Foster diversity through group diversity rather than forcing highly diverse individuals to work together (unless it is part of your company's DNA) as can be seen in different football teams within a league.
- Keep groups small enough to avoid overwhelm and divide groups beyond a certain size like Gore does: as soon as the number of staff exceeds a limit, a new unit is formed that may follow a different developmental path in the future, with about 150 as the ideal unit size to foster informal communication processes [35–37].

This short essay can neither be a full explanation of systems thinking nor serve as a cookbook for change management. It can help, however, to overcome some misconceptions about corporate culture, leadership, and diversity. The need to improve these elements of a social system are often recognized but rarely handled professionally. Probably the key to a better understanding of these elements is subsequently a profound reflection about the mental models at work in a specific situation and a continuous practice of systems thinking. Change then becomes a mere outcome of the dynamics of the social systems in a corporate context and the natural tendency to save energy can be accommodated for by recognizing and applying power to the appropriate levers in a social system. To support the evolutionary development of companies and the people involved.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

1. The human brain is easily overwhelmed by complexity.
2. Humans typically change their intensity of interactions depending on the total number of individuals relevant in the context.
3. Sending an e-mail is a form of communication.
4. A social system cannot be managed.
5. Social systems are self-stabilizing and self-sustaining.

6. Resistance to change can be interpreted as a lack of compatibility with the motivational structures of the people involved.
7. The position in the corporate hierarchy defines power in the social system “company”.
8. Corporate culture is an emergent property of the social system present in a company and cannot be controlled.
9. Power in a social system can be defined as the ability to change routine communication structures.
10. When people are uncertain about appropriate behavior in a situation they look for social proof.

Answers

1. False
2. True
3. False
4. False
5. True
6. True
7. False
8. True
9. True
10. True

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Diversity and Inclusion in the Workplace

Deirdre O'Donovan

Abstract Diversity is not new, or complicated, but sometimes appears, or is made to appear, to be both. In the organizational context, diversity appears to have rapidly increased in recent years, which is attributable to a number of factors. Similarly, the concept of inclusion does not need to be feared as complicated, as individuals simply wish to be allowed to be themselves. The purpose of this chapter is to provide a broad discussion of the concepts of diversity and inclusion in the workplace to assist the reader with better understanding diversity and inclusion, and what they may mean for organizations. This chapter also aims to assist the reader in thinking about both differences and similarities among employees, and how these can be leveraged, and accommodated, by the organization.

1 Explaining Diversity and Inclusion

Diverse means different. As such, diversity is not a new phenomenon, as individuals have always been different, one from the other. Although diversity has always existed, defining it is somewhat difficult [1]. One issue with defining diversity stems from the fact that diversity concerns both visible and invisible characteristics [2, 3]. This simply means that some dimensions of diversity are easier to see, and so easier to categorise, articulate or discuss. Such dimensions include, for example, physiological gender appearance, skin colour, dress, age or physical ability. Another issue with defining diversity is that it can be considered subjective, meaning it is created by individuals who characterise others as similar or dissimilar to themselves [4].

Diversity can also be considered selective, context dependant and relative [3]. The selectivity of diversity stems from the notion that some characteristics are deemed stronger indicators of diversity than others, such as, for example, accent, physical abilities and cultural background. With regard to being context dependant, individuals cannot be defined as “different” in isolation, rather only when compared

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to others in their environment [3]. Regarding being relative, this means that diversity indicators are ambiguous. Two individuals may appear physiologically male, for example, but one may identify as male while the other may not. Similarly, two individuals could be the same age, but one may consider themselves quite young, while the other may consider themselves quite old.

Regardless of the issues presented by the deep, contextual and relative nature of diversity, a number of definitions of diversity exist. Joplin and Daus [5] offer a concise definition of the complex concept, simply proposing that diversity refers to all the ways in which people differ from each other. This definition, while brief, emphasises that individuals can differ from each other in a multitude of ways. In perhaps a less general, more group centric vein, van Knippenberg and Schippers [6] refer to diversity as reflecting the degree to which there are objective or subjective differences between people in the group. Furthermore, under a more workplace oriented focus, Griffin and Moorhead [7: 31] define diversity as concerning:

The similarities and differences in such characteristics as age, gender, ethnic heritage, physical abilities and disabilities, race and sexual orientation among the employees of organizations.

Irrespective of the approach to defining diversity, definitions, such as those above, ultimately reinforce that people are just different. These differences, and our corresponding individuality, is something that many consider to be a significant part of themselves, which they do not want misrepresented or overlooked [8]. This is where inclusion, which O'Donovan [1] terms 'Diversity Management 2.0', comes in.

Inclusion concerns:

How well organizations and their members fully connect with, engage, and utilize people across all types of differences [9].

Essentially, inclusion concerns helping employees who do not feel that they belong to the mainstream of the organization to feel they belong, while also helping those employees who do feel they belong to continue to do so [10]. Under an inclusionary approach to diversity, more particularly diversity management, the differences of individuals in the workplace are not just identified, rather are integrated into the very fabric of the organizations culture [11]. Indeed, Gasorek [12: 27], while describing inclusion, takes a multi-faceted view, proposing inclusion to concern the degree to which:

- Employees are valued, and their ideas are taken into account and used,
- Employees partner successfully both in and across departments,
- Current employees feel they belong in the organization, and prospective employees are attracted to the organization,
- Employees feel committed to each other, the organization, and the organizations goals, and,
- The organization continues to foster flexibility and choice, and attends to diversity.

It is important to be aware, however, that inclusion is a contextual, individual, momentary and transient concept, which occurs at both the organizational and individual level [1, 9, 11]. It is also important to remember that employees can feel simultaneously included and un-included. An employee may perceive inclusion among the colleagues in their team, for example, but not in the wider department, or organization. It does not automatically follow that because an employee feels included in one context, they will perceive inclusion in all other organizational contexts. It is also not automatic that an individual perceiving inclusion now will continue to do so in the future. This is important, as it means that organizations that are aiming to be, and working towards being, inclusive, may still have individuals in the workforce who do not perceive inclusion. Fostering inclusion at the individual level, therefore, must be considered an ongoing process, and organizations should operate under the hypothesis that inclusion is not a static concept, with employees either perceiving or not perceiving inclusion, rather, it is contextually dependant. Consequently, organizations are advised to make an effort to monitor inclusion on a continual basis, to ensure that employee's perceptions of inclusion remain, even when operating in another context, for example, on a different team or in another department [1, 11].

The above being said, developing inclusion just at an individual level is likely to be insufficient. Given that different departments may have different cultures and ways of operating, this may mean, as mentioned earlier, that an individual may feel included in one area, but not in another. If there is an attempt to be an overall inclusive organization, this may reduce the likelihood that individuals feel un-included when outside of their department [11].

Another point worth noting is that some individuals may believe they need to take an active role in developing their feelings of inclusion, yet others may believe inclusion occurs naturally [9, 11]. Organizations are advised, therefore, to examine inclusion efforts at an overall organizational level, an individual level, and also at a team level. Doing so will assist in creating an organizational environment to support individuals who believe inclusion naturally occurs, while also assisting in maintaining an employee's perception of inclusion even when operating in different areas in the organization [11].

Overall, while there are clearly commonalities with regard to what constitutes inclusion, for example feeling valued or respected, individuals perceive these themes in different ways, and so even if an organization is deemed to have an inclusive culture, some employees may still not feel included [11, 13]. The core proposition, as discussed earlier, is that inclusion occurs at two levels: the individual and the organizational level. Furthermore, an individual's diversity, their own diverse make-up, may impact their perceptions, or whether they experience feelings, of inclusion. Consequently, with respect to inclusion, the old adage of "do unto others as you would have them do unto you" no longer truly applies. Instead, individuals are cautioned to consider that treating colleagues as they would like to be treated may not assist in making others feel included, rather may appear to be an imposition of their own values on to others. It is important, therefore, that HR Managers, individuals or organizations in general attempt to uncover the needs of

employees with regard to what will result in feelings of inclusion, and subsequently aim to address those needs [13]. One of the simplest methods for doing so is to simply ask employees [14]. There are a number of HR vehicles that his could be built in to, for example, diversity training initiatives, performance review and planning discussions, employee engagement or wellbeing surveys, or perhaps even during coaching or mentoring activities.

As mentioned at the opening of this section, diversity, and even inclusion, are new concepts. They do, however, appear to be gaining increased attention, and carry a number of potential advantages and challenges, which are discussed in the next section.

2 Benefits of Diversity and Inclusion

Before discussing the benefits and challenges associated with diversity and inclusion, it is worth a reminder that if diversity in society is not a new phenomenon [15], then neither is diversity in organizations. Nonetheless, as mentioned earlier, diversity appears to be increasing in organizations [2, 7, 16–20], although perhaps it is more appropriate to say awareness is increasing, and the concepts of diversity and inclusion are certainly continuing to attract increased attention. There are a number of reasons behind why workforce diversity is, or appears to be, increasing in organizations, including:

1. Demographic changes have resulted in increasing numbers of women and minorities entering the workforce [3, 20, 23],
2. Increased globalisation of business markets, resulting in an increase in the amount of business conducted on an international scale or with a diverse customer base [21, 22],
3. Information technology improvements, giving rise to increased interaction between Irish employees and international counterparts [21],
4. A presence of multinational companies resulting in a consequential increased presence of more diverse cultures [21],
5. Interaction of different nationalities and cultures in the workplace due to net immigration and targeted overseas recruitment [20–22],
6. Organizations making efforts to address past systematic exclusion of various demographics from the workforce [24, 25].

Regardless of the reasons behind the continued interest in workforce diversity, diversity, and inclusion, present a number of potential advantages for organizations. While there is a well-established Business Case for managing diversity i.e. a set of advantages associated with diversity in the workplace, O'Donovan [1, 11] notes that many of these are mirrored by the advantages associated with inclusion, although inclusion presents some additional advantages. As such, in this section, the advantages associated with both diversity and inclusion will be explored in tandem.

Before discussing advantages, it must first be noted that the mere presence of diversity in organizations is insufficient to capitalise on the potential benefits, rather diversity must be managed, ideally via an inclusionary approach, which will be discussed later in the chapter. Figure 1 highlights the advantages associated with diversity and inclusion. The first potential advantage relates to Cost Savings.

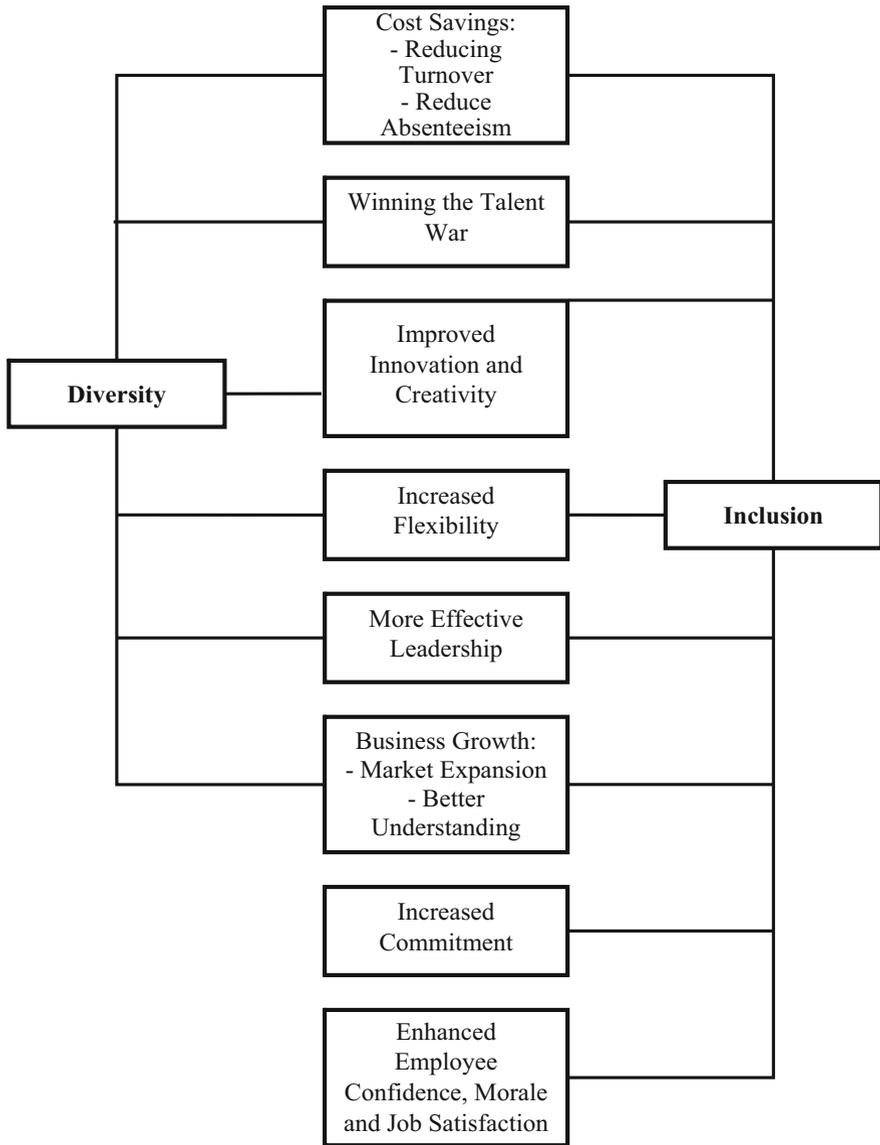


Fig. 1 Advantages associated with diversity and Inclusion. *Source* Author (O’Donovan 2017), adapted from [1]

2.1 Cost Savings

The Cost Savings argument, in this instance, primarily concerns the negative impact the mismanagement of diversity has on an organization's bottom line. This particularly refers to higher staff turnover costs, higher absenteeism rates and discrimination lawsuits. Regarding turnover costs, turnover among diverse employees is a costly and significant problem for many organizations, as are the consequential added recruiting, staffing and training costs per person. Additionally, a continuous flow of employees through an organization results in employees continually climbing the learning curve, rather than performing to their full potential [26, 27]. It is arguable, therefore, that managing diversity enables employees to perform to their potential [28].

The second element of the cost savings argument concerns lowering absenteeism rates. Absenteeism, which can amount to significant costs for organizations, can occur when individuals do not feel secure about their status, as such insecurity prevents employees from fully engaging at work. It has been suggested, for example, by Monks [29], that the introduction of diversity initiatives has a positive influence on absenteeism rates, tending to result in a reduction of both turnover (discussed above) and absenteeism levels. Ultimately, we are reminded that if employees do not feel comfortable or as though they belong in the workplace, in this case as a result of some factor of diversity, they are more likely to not attend work, or to leave.

The final area of focus with regard to cost savings considers lawsuits on, for example, sexual, age, and race discrimination, or, perhaps more specifically, a strategic organizational effort to avoid them [27, 29, 30]. If attempting to deal with diversity in the workforce via diversity and inclusion programmes, these programmes should assist organizations in complying with laws regarding discrimination. The use of such programmes should also ensure that policies and processes are in place in organizations to assist in deterring discrimination lawsuits, as organizations that are conscious of the diversity of their workforce are more likely to anticipate problems, thus potentially reduce the risk of litigation [2, 21]. Kim [31] examines this argument in terms of company image, and suggests that organizations can focus on improving their public image or enhancing it by using diversity management to reduce the chance of discrimination law suits. All of this notwithstanding, however, it must be cautioned that, with the exception of costs relating to turnover, actual cost savings from improving diversity management are difficult to measure [32].

2.2 Winning the Talent War

Winning the competition for talent, or the "talent war", refers to the attraction, retention and promotion of employees from different demographic groups [27, 33,

34]. An organization's future is dependent on the quality of talent it attracts and retains [35], and so to sustain a competitive advantage, organizations must be able to optimise their human resources [27]. Indeed, Carbery and Cross [36] contend that for many organizations, one way in which effectiveness is measured is via the achievement, and maintenance, of sustainable competitive advantage. As our competitive advantage is achieved through the work of employees, organizations should focus on identifying, retaining and developing their key employees in order to gain a competitive advantage over competitors [36]. Organizations that are able to not just recruit, but also develop, retain, and promote diverse employees are more likely to have an edge over their competition, as talented employees will be attracted to organizations that value their capabilities. These employees will also be more willing to invest in productive activity, and as discussed earlier, less likely to leave, if they believe they are being treated fairly, and that career opportunities are available to them [27]. It is also possible that having a diverse workforce allows diverse employees to identify with the company, making the company attractive to other diverse potential employees [26].

Diversity can also aid in retention, as commitment to diversity indicates to employees that the organization cares for them as individuals [21, 26]. If organizations do not effectively manage diversity issues, diverse talent will leave in favour of a competitor who does [37, 38]. That being said, however, Schneider's [39] attraction-selection-attrition (ASA) model indicates that the attraction and retention of diverse employees may not be a straight-forward process. ASA argues that organizations naturally evolve towards social homogeneity as individuals prefer to be with others who bear similarities to them. While candidates are more attracted to organizations that they believe are made up of individuals similar to themselves, if, once hired, these employees do not seem to fit in with the rest of the organization, they are more likely to experience dissatisfaction and leave. If this cycle repeats over a period of time, the result is a gradual homogenisation of an organization [4, 29]. To avoid this natural drift towards homogeneity, and subsequent increased turnover costs, Jackson and Joshi [25] indicate a proactive approach to increasing diversity may be necessary, supporting the assertion that diversity must be actively managed, which will be discussed later in this chapter.

2.3 Improved Innovation and Creativity

As identified in Fig. 1, another opportunity arising from workforce diversity is greater employee creativity and innovation [18, 38, 40, 41]. Indeed, Davidson and Ferdman [13] have proclaimed that inclusion serves to open a pathway by which individuals can organise and use their personal resources to do what they do best, meaning employees can use those diverse experiences and perspectives. Attitudes, cognitive functioning, and beliefs tend to vary with demographic variables such as gender and age, and so, as diversity shapes how we view things, one consequence of diversity in an organization's workforce is the presence of different perspectives

or views on the performance of tasks [38, 42, 43]. In essence, different people will have different ways of viewing or thinking about problems or opportunities. If the varying approaches, views or opinions are considered, the likely result is that management will be able to make better and more informed decisions [37]. Additionally, managing diversity can make diverse employees feel valued and supported, which tends to result in employees becoming more innovative [44], as employees are more likely to take risks or try if they perceive the support to do so. Diversity can also increase the quality of team problem-solving as, similar to earlier discussion, diversity among team members enables employees to see problems from an array of perspectives, based on their wide range of experiences, potentially producing better decisions [31, 32, 38, 40, 45]. A caution, however, is that in reality, groups often struggle to harness the potential advantages of diversity [38], which is perhaps unsurprising given our knowledge of the issue of groupthink and the notion of group culture as a subculture of organizational culture. Less emphasis on employee conformity to past norms, via the open acceptance of employee diversity, should also improve creativity [45]. There are two reasons underscoring this suggestion. First, as mentioned, it is assumed that diverse individuals have diverse, and accordingly more novel, ideas. Second, if individuals approach the same task from diverse points of view, task-related conflicts are more likely to occur. Remembering that conflict is not inherently automatically a negative thing, dealing with these conflicts should result in a more thorough consideration of all aspects and approaches, culminating in more innovative solutions [7, 46]. This may help to avoid the earlier mentioned concept of group-think, as conflicts arising from diverse perspectives result in questioning, and moving beyond, prior practices, thus require questioning of current ideas or practices and the overcoming of group-think [7].

2.4 Increased Flexibility

As well as potentially improving organizational performance via enhanced creativity and innovation, diversity can also impact an organization's flexibility. Through managing diversity, organizations should become less standardised, and more fluid, as managing diversity, and supporting employees, likely requires some adaptation of, or flexibility in, practices. This fluidity should, in turn, create greater flexibility, enabling organizations to react to environmental changes faster, and at less cost [45].

Organizations used to offering flexible arrangements such as family friendly or work-life balance opportunities to cater for their diverse employees may be better placed to overcome skills shortages or provide alternatives to redundancies in difficult times through career breaks or job-sharing initiatives, allowing them to retain their employees [31]. The current culture of presenteeism in many organizations, however, can result in limited uptake of flexible working arrangements by

employees due to fears that using such arrangements may result in reduced career opportunities, thereby quashing the potential benefits [18].

2.5 More Effective Leadership

Diversity in organizations, if encouraged rather than just given lip service, can improve effectiveness at higher levels in the organization. Heterogeneity of top management can prevent a myopic perspective at senior levels. Leveraging diversity in higher levels of the organization can, therefore, provide the organization with an opportunity to improve leadership effectiveness. Diverse leaders are better able to understand and reflect the rest of the organizations population, in addition to sending a signal that diverse employees have the same opportunity for advancement. This can result in further diversity at higher levels, and potentially again assist in retention, as per earlier discussion in this chapter. Furthermore, the increased awareness developed by organizations that manage or adapt to diversity can help them become more effective in cross-cultural business situations [31, 38, 40]. Additionally, good diversity skills are compatible with good people management skills, and so focussing on management's ability to supervise a diverse workforce can result in improvement of their overall people management skills [31].

2.6 Business Growth

The potential advantage of Driving Business Growth concerns organizations managing diversity to leverage a number of possible opportunities. First, organizations can use workforce diversity to gain an increased understanding of the marketplace in which they operate [31, 40, 41, 47]. A 2004 report on diversity undertaken by the European Commission cited improved access to new market segments and improving performance in existing markets as benefits of diversity [41, 47]. Furthermore, as customers and suppliers are becoming increasingly diverse, as indeed is the marketplace in general [38, 42, 45, 48], it makes sense that the understanding needed to market to diverse demographics, and to respond to their needs, naturally resides in employees with the same background [38, 45]. It has previously been found, for example, that individuals from a minority culture are sometimes more likely to give patronage to a sales representative from their own culture [45]. The existence of a diverse and inclusive workforce can assist in ensuring that the products and services offered by the organization are respectful and mindful of their customers, and even their customer's clients. If the workforce is reflective of the organizations customer base, and is willing and able to use that similarity to improve product or service offerings, the organizations outputs can be closer aligned with customer desires. This can result in increased customer satisfaction [51, 52]. Organizations can also potentially benefit from the goodwill of

diverse customers who prefer to buy products produced by a diverse workforce, or who prefer to do business with organizations that have a diverse sales force [38]. If nothing else, diversity provides a good image to an organization's customer base, and enhances company branding [26].

Managing diversity can also improve the organizations bottom line [26, 43, 49–51]. Employees who believe their employer supports them have a tendency to be more productive. This increase in productivity positively impacts the organization's bottom line [26, 49]. A commitment to diversity, particularly an inclusive one, enables every employee to contribute their individual ideas, talents, and skills to the organization, which again ultimately drives the organizations bottom line [50].

Inclusive organizations may also benefit from assistance from their employees on global challenges, including varying laws and regulations, language barriers and cultural barriers [51]. Employees in an inclusive organization may, for example, be willing to openly discuss their national culture, thereby assisting the organization in better understanding, and adapting to, that culture. Moreover, inclusion can result in improved productivity and less errors, which can result in the production of products of a higher quality [52]. Indeed, decreased errors may also positively impact the organizations bottom line, as less profit will be lost to wastage.

Inclusion can also result in increased knowledge transfer, group cohesion and a more positive group climate, thus, a better work environment [52]. Increased knowledge transfer may pave the way for smoother inter and cross departmental functioning, enhancing business operations. Improved group cohesion and a positive group climate will likely assist in the creation of a team culture, which is identified as a factor contributing to perceived inclusion later in this chapter, as well as potentially improving overall group performance.

2.7 Increased Commitment

In a similar vein, a further resultant factor emanating from perceived inclusion concerns increased commitment [11, 52], whether to the job or organization, and enhanced productivity, which are again likely to enhance performance [11]. Additionally, increased commitment has the potential to see reduced absenteeism and turnover levels, allowing for a stability in the workplace, and savings through reduced recruitment and selection costs.

2.8 Enhanced Employee Confidence, Morale and Job Satisfaction

Inclusion has been identified as carrying the advantage of enhancing employee confidence [11, 52]. Enhancing confidence has the potential to raise an individual's

perception of their ability, which can positively impact performance. In addition to enhancing performance, increased confidence may increase the likelihood of the individual believing they are capable of going beyond their required tasks, that is, undertaking Organizational Citizenship Behaviours (OCBs), which are supra-role behaviours [11].

Inclusion can also result in enhanced morale, feelings of support and job satisfaction [11]. Interestingly, job satisfaction, engagement and a supportive work environment have been previously cited in literature as antecedents of OCBs. If inclusion results in these factors, it is therefore again arguably evident that a relationship exists between inclusion and OCBs [11]. It is also arguable that perceiving higher levels of support will increase employee loyalty and commitment to the organization, thereby increasing the likelihood that they will perform in a manner that exceeds role requirements, perhaps in an effort to reciprocate for the support and increased levels of morale emanating from the organization.

Despite all of the potential benefits associated with diversity and inclusion, there are also challenges to be considered. These challenges, which are discussed in the next section, must be considered in advance of attempting to initiate diversity and inclusion initiatives, as they each carry the potential to prevent successful implementation of any efforts.

3 Challenges Associated with Diversity and Inclusion

As indicated in Fig. 2, there are a number of challenges associated with, or presented by, workforce diversity. Managers may now find themselves with a new or sensitive set of challenges that were not as visible or dominating, or perhaps were irrelevant, in a previously apparently homogenous workforce [5, 42]. In addition, while managers are being increasingly called upon to deliver diversity strategies, there is little evidence that managers are receiving the training or support necessary to do so [18] and so managers may be more likely to be reactive, concentrating on minimal compliance, rather than being proactive, concentrating on possible positive outcomes.

3.1 Increased Costs

Earlier in the chapter, cost savings were identified as an advantage associated with diversity. It is, however, also possible that companies investing in diversity and inclusion initiatives may actually face additional costs. Organizations may face, for example, costs associated with legal compliance, cash costs of diversity, particularly perhaps if diversity and inclusion efforts require a change in practices or upgrading buildings or infrastructure, opportunity costs and business risks [47]. Potential costs associated with legal compliance may include employee training,

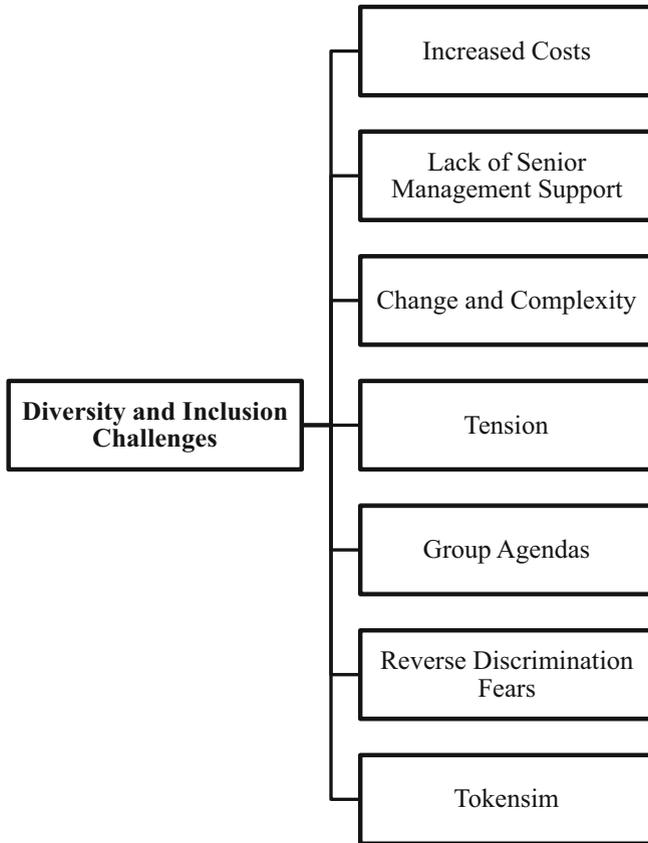


Fig. 2 Diversity and Inclusion Challenges. *Source* Author (O'Donovan 2017)

record-keeping processes and the cost of communication of new policies. The extent of these costs for different companies will be influenced by the nature of existing internal processes and legislative requirements.

Cash costs associated with diversity may be short term, or “one-off” costs, for example, improving access to buildings for employees with mobility impairments or purchasing software. Cash costs are often long-term and recurring, however, and can include costs associated with the necessity for specialist staff and the provision of training, the provision of support and facilities, communication costs, the development of employment policies and monitoring and reporting processes. Opportunity costs associated with diversity may include managers’ time and productivity shortfalls. The business risks of diversity centre on the tendency for many programmes which have been designed to change organizational culture taking longer than intended, or failing [47].

It is also possible that by engaging in diversity and inclusion training, employees become more educated with regard to what constitutes harassment or discrimination,

and so may take legal action to address past wrongs, temporarily contradicting the earlier discussed advantage of reducing lawsuits.

3.2 Lack of Senior Management Support

The genuine support and commitment of top management to diversity and diversity initiatives is crucial [18, 32, 38, 53]. A lack of commitment on the part of top management may pose a challenge, because if they do not talk about diversity, and embrace its values, initiatives will not work [26]. First, a lack of top management support will symbolise that diversity is not important. Second, resources, such as human, financial and technical, must be committed, and actually provided, to the organization's diversity initiatives [32, 54]. Commitment from top leadership is a component of a best practice approach to diversity management [55]. While crucial, top management support alone is not enough. The use of champions for diversity at lower levels in the organization, and employee involvement in driving diversity, is greatly important [32, 38, 53] as is the representation of diversity among the members of higher positions in the organization.

3.3 Change and Complexity

Accepting diversity means accepting change, both with regard to how we see people, and how business is done. This forms another challenge, as many individuals are uncomfortable with change, so resist it [26, 28, 54, 56]. Accepting and engaging in management of diversity should bring about an exploration of, and a change in, current recruiting and retention policies, as well as a change in how people view and accept differences [26]. A challenge is also posed when these changes are cosmetic and disguise what really happens in the organization. It is insufficient, for example, to simply attach the tagline "An Equal Opportunities Employer" on recruitment advertisements, if the organization is not intending on being an equal opportunities employer, or working towards making diverse candidates who are hired feel included post-selection.

In addition, these changes can result in increased complexity in the organization, particularly if there is a resultant increase in employee diversity. While it was earlier noted that diversity in opinions and ideas is considered a positive reason for managing diversity [27, 32, 35], it can also be challenge, particularly for managers [5]. Managers in organizations with a diverse workforce may now have to sift through, and decipher, a number of different perspectives on the same problem or issue if practicing participation in decision making. This can be a rather time-consuming process, and the task of management becomes more complex [42]. Moreover, developing rosters and time schedules may be more challenging if, resulting from diversity efforts, initiatives such as flexible or remote working or

prayer times need to be factored in. Learning to deal with these needs for flexibility can, however, allow organizations to capitalise on the flexibility and commitment advantages discussed earlier.

3.4 Tension

In a similar vein to the issue of complexity, increasing interaction among diverse members in the organization also increases the potential for friction [49, 57] and dysfunctional conflict in the organization. Friction among different employees and resulting tension can reverberate throughout the organization, causing a reduction in productivity, an increase in costs and reduced quality products or services. Tensions may also arise as a result of culture clashes. Culture clashes can be a drain on the performance of individuals involved, and perhaps undermine or damage overall departmental or organizational culture. Consequently, work relationships and output may suffer [49]. Indeed, there is, on occasion, an overall pessimistic view of diversity which suggests that diversity creates social divisions, resulting in negative outcomes for the organization [58]. In these cases it may be useful to engage in refresher training and HRM practices such as performance appraisal or coachable moments to remind employees of the superordinate goal, i.e. remind them that regardless of personal feelings, they are ultimately there to undertake a particular job. It is important to concurrently allow individuals an opportunity to address grievances to find a solution to the tension, as otherwise it will simply fester underneath the surface.

3.5 Group Agendas

A significant challenge to diversity arises if various groups believe diversity is only important to their group. If these groups have their own separate agendas, rather than working together to improve diversity throughout the organization, and particularly if this results in conflict among the groups, management may not believe in the merits of diversity [26]. Much like with tension, a useful strategy here could be to remind group members of the superordinate goal, i.e. that groups must work together if the organization is to achieve.

A further issue relates to grouping employees based on generalisations concerning diversity dimensions. Historically, organizations have, for example, had a tendency to treat female employees, younger or older employees and ethnic minorities as homogeneous groups. Doing so results in neglecting individuals in those groups who do not fit the profile of the stereotypical member of that organizationally formed group [59]. Consider the example at the beginning of this chapter concerning identity. It does not automatically follow that because an individual is physiologically female that they identify as such. Similarly, it is not always a truth

that because an individual comes from a particular country that they practice a particular religion, as religion transcends culture [60]. Grouping individuals based on one dimension ultimately neglects consideration of all the ways in which the individuals in that group differ from each other, and may result in individuals feeling misunderstood or uninvolved.

3.6 *Reverse Discrimination Fears*

The fear of reverse discrimination can also be a challenge to managing diversity. Some employees may believe that managing diversity is a smokescreen for reverse discrimination, especially if it appears that candidates quite diverse from the existing workforce are being hired, and so these employees may resist diversity management initiatives [28, 30]. Carnevale and Stone [49] and Flynn [38] propose that men in particular, specifically white men, are being forgotten about by organizations. It is important that it is remembered that white men are as diverse as anybody else, and that they are included in the organizations future vision for diversity, and their role in achieving such is clearly outlined [49]. Work-life balance policies are often seen as policies for women's problems, even though such policies are gender neutral [61, 62]. Similarly, Kent and O'Donovan [63] highlighted that literature concerning work-life balance indicates a bias towards women.

3.7 *Tokenism*

Whether real or perceived, tokenism can present a further challenge for organizations [5]. Tokenism occurs when an individual is hired over more qualified candidates, either in an effort to address the concerns of stakeholders, or to fulfil quota numbers. Quota systems are rarely in an organization's best interests, but are becoming increasingly common, particularly in politics, and, in an organization that has little tolerance for diversity, quotas may be the only way to ensure that diverse candidates will be included in recruitment and selection processes [5]. The use of quota systems, through which organizations focus their recruitment and selection activities at particular diverse groups, is advised against for a number of reasons. Joplin and Daus [5] and Von Bergen et al. [38] believe quotas automatically result in a perception of tokenism. This can be particularly true if new candidates appear very recognisably different from existing employees. Indeed this can also fuel reverse discrimination fears as discussed above, with Flynn [38] warning that quotas can lead to discrimination towards white men. This may be particularly so in an organization where white males were historically a majority, if new hires are different. It is arguable, given, as repeated throughout this chapter, that diversity is not new, if organizations focus on making sure that they aim to hire the best person for the job, workforce diversity is inevitable, as who the "best"

candidate is will vary. Sometimes it will be a man, sometimes a woman, sometimes a younger person, sometimes an older person, and so on.

Perceived tokenism often occurs when the diversity of an organization is increased, as growing diversity often carries the perception that less qualified candidates are being hired. Indeed this maybe the case if hiring managers are becoming more focused on hiring a characteristic of diversity rather than the best candidate. In addition to the perceptions of existing employees, new employees who believe they were hired for anything other than their merit may become defensive, feel vulnerable, and eventually begin to question their capabilities [5]. These issues may result in increased turnover rates among new hires, damaging the potential of capitalising on the first two points of the cost savings advantage associated with diversity.

While these challenges may raise concerns, diversity management, and more particularly inclusion, can greatly assist in overcoming these challenges, and allow organizations to capitalise on the advantages associated with diversity and inclusion.

4 Diversity Management and Inclusion: How to Do It

As referenced a number of times in this chapter, particularly in the section regarding the potential advantages of benefits of diversity and inclusion, simply having diverse employees is not enough. Indeed, there is nothing unusual in organizations having diverse employees, as diversity is ever present. Different people behave differently [65]. Employees who may appear similar are still very different individuals, and so may respond differently to the same stimulus, organizational practices or management styles [66, 67]. Managers must therefore recognise and respond to employee differences in a way that retention and productivity are maintained, discrimination is avoided, and fairness is maintained; diversity must be managed.

Managing diversity is an active phenomenon, which involves coordinating and directing the differences of employees to ensure strategic organizational goals are met [68]. With that in mind, however, it is also strongly advised that organizations begin managing diversity via Diversity Management, then move towards an inclusionary approach to managing diversity [1]. Figure 3 highlights how organizations can move towards an inclusionary approach to diversity, and suggests that organizations begin with Diversity Management initiatives. As such, this section is broken in to three areas, specifically, Diversity Management, Diversity Training and Moving to Inclusion.

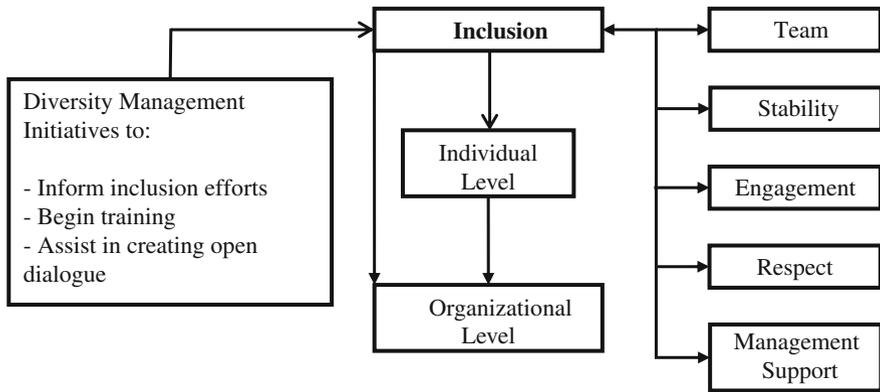


Fig. 3 Factors contributing to inclusion. *Source* Author (O’Donovan 2017), Adapted from [1]

5 Diversity Management

It is important to note that managing diversity does not mean controlling or containing it, nor does it mean assimilating diverse employees to fit the organizations existing culture [21, 69]. Instead, diversity management, much like inclusion, focuses on enabling each individual in a workforce to perform to their potential [69]. This requires organizations to adopt a new way of thinking about differences among people, and a new approach to the way in which employees are treated [21, 28]. Managers need to take a proactive, committed approach to their involvement with employees [5].

One method by which management commitment can be secured is to involve managers in the diversity management planning process, giving them ownership of diversity goals [49]. Even still, many executives may be unsure of why they should want to learn how to manage diversity [69]. This may be as a result of an issue termed Diversity Blindness [3]. Diversity blindness does not consider diversity an issue that must be addressed, resulting in diversity and diversity training being ignored. Therefore, organizations should begin by clarifying the underlying motivation, as, given today’s competitive challenges, it is likely that only business reasons, specifically reasons that highlight potential improvements in the organizations bottom line, will result in the long term motivation critical to managing diversity [69].

While management buy-in to diversity and inclusion initiatives is crucial, organizations should not make diversity management the responsibility of just management or of a single individual, as diversity management initiatives may collapse, if and when, that individual leaves the company [38], or the management team changes. Instead, diversity management should be made a company-wide issue. This highlights the importance of moving towards inclusion, as an inclusionary culture will assist in reinforcing the importance of diversity.

As shown in Fig. 3, it is recommended that organizations begin with diversity management. As each organization is different, there is no single best way of developing diversity management [21, 62]. A four-phased cycle can, however, be adapted to meet an organizations particular needs [21].

Stage one is Analysis. This involves constructing a profile of the level of diversity that exists among the organization's workforce and customer base. Existing employment processes must then be examined to identify areas relating to diversity that require addressing [21], such as, for example, issues in the recruitment, selection, or engagement practices. Thomas [69] refers to this step as a Corporate Culture Audit. As a corporate culture comprises a collection of unspoken and unexamined values, assumptions and mythologies, a culture audit is likely impossible to conduct without external assistance.

The second stage, planning, requires a comprehensive approach to establishing the key objectives behind the diversity strategy [21]. It is important that organizations are clear on the purpose behind a desire to manage to diversity, both as a measure in avoiding the challenges associated with diversity, and so that they can communicate the purpose of the initiatives to employees to increase the likelihood of buy-in. This stage also requires the allocation of resources and a confirmation of commitment to the process. Organizations may not be in a position to implement every diversity and inclusion strategy that they want to, or a significant amount of change may have been identified, and so plans should be coordinated and prioritised.

Following the planning stage, the diversity management programme should be ready to implement, bringing the organization to stage three; Implementation. Successful implementation requires diversity strategies to be seen not just as a human resources issue, rather, as an issue that is vital to the achievement of organizational goals. While it may sometimes be appropriate to develop new policies and procedures, amendment of existing ones is also important [21]. Indeed, this may assist in reducing some of the costs associated with diversity and inclusion plans, and also help to address the issue of resistance to change, as discussed earlier in the chapter.

Once the programme has been implemented, it is crucial that stage four, Monitoring and Evaluation, is paid attention to. New policies and procedures, and amended ones, under the diversity management programme need to be regularly assessed, and, if found to not be achieving the desired objectives, amended, requiring movement through the cycle again [21]. Additionally, during this stage, which is also called Follow-Up [32], more training on diversity and the importance of diversity, it's link to organizational performance, and any resulting associated changes, should be included, and the initial analysis or audit step repeated (hence the cycle). Organizations can also use focus groups to facilitate continuing discussions on diversity issues. Alternatively, organizations can, as part of their greater diversity management initiatives, engage in diversity training.

6 Diversity Training

Diversity training does not refer to any one specific activity. Instead, the term can be used to describe many workplace diversity management interventions [71]. Diversity training is considered by some to be a ‘must’ [72], and is proposed to be one of the most widely used activities under the umbrella of diversity management [49]. Diversity training has been considered one of the most visible features of many diversity programmes [73], meaning diversity management and diversity training are not interchangeable terms rather training is a component of diversity management [74]. The primary role of diversity training is to;

- Promote workplace harmony,
- Assist individuals in learning about the values of others,
- Improve cross-cultural communication,
- Develop leadership skills,
- Aid in employee retention [33].

There are two primary diversity training approaches which may be used to reinforce each other, specifically, awareness based training and skills based training [49]. The aim of awareness based training is to heighten awareness of diversity. Objectives of awareness training include providing employees and managers with information about diversity, heightening awareness of, and sensitivity to, diversity, by uncovering assumptions and biases, and assessing current attitudes and values, while also correcting stereotypes and myths, and fostering group and individual sharing. Some diversity programmes using this type of training approach differ in emphasis. Some programmes focus on heightening awareness by providing information on various groups, while other programmes aim to uncover unconscious cultural biases and assumptions [49]. There is a strong case for the implementation of awareness based diversity training, but, it must be accompanied by other forms of organizational support, along with skills-based training interventions [3].

The aim of skills based diversity training is to provide employees with a skills set that enables them to effectively deal with diversity in the workplace [49]. Specific competencies and skills are required if employees are to work successfully as members of a diverse group. Skills based diversity training initiatives can assist in developing those skills and competencies [3]. Indeed, skills based training is primarily focussed on behaviour, and providing tools to promote effective interaction in a heterogeneous organization [49].

This chapter argues that diversity and inclusion efforts should begin with diversity management, which diversity training is an important element of, yet there are a number of criticisms of diversity training. It has been mentioned in this chapter that, regardless of intent, diversity management may result in division among employees. Similarly, in contrast to intentions, diversity training may actually create bias, rather than breaking it down. This argument is founded on the concern that rather than paying less attention to the differences among employees,

diversity training results in employees becoming more aware of their differences and perhaps consequently acting on them subconsciously [75]. In particular, awareness based training may, if not handled well, result in negatively reinforcing differences, biases, and feelings of separation, damaging perceptions of inclusion [73]. Training focused on similarities rather than differences tends to be superior, and result in lower levels of backlash. A training programme focused on both similarities and differences, however, may be most useful with regard to enabling individuals to leverage similarities and differences to enhance creativity [76].

Another criticism is that, similar to discussion in the Challenges Associated With Diversity and Inclusion section, if diversity training only emphasises expected demographics, for example gender, sexual orientation, or race, other employees may feel their interests are not being represented, diminishing the effectiveness of the training. It is also possible that stereotypes and prejudices held by employees may be so entrenched that they cannot be trained away in a short workshop [75]. If the stereotypes or prejudices an employee has were developed in their formative years, it would be extremely difficult to simply train these away in a few hours. It is important, therefore, that organizations develop a set of guidelines for appropriate and inappropriate behaviour.

A lack of support data and clear understanding of what diversity training is intended to achieve can present issues for diversity training effectiveness [73, 77]. Without prior assessment of why training should happen, and what it should achieve, to guide the focus and content of diversity training, and to gauge commitment to the process, training is less likely to be effective. Without adequate post-training assessment and follow-up, organizations will be unable to determine whether the goals of diversity training were met [49, 73]. Interestingly, it is arguable that these steps should already have taken place, as two of the steps required for diversity management are analysis of the current situation, and planning, which requires setting out the objectives of any initiatives. Finally, delivering diversity training in an environment that does not put the training into practice may diminish its effects [75], and poor implementation of training and a lack of follow up may result in a backlash against diversity [73].

In light of these potential diversity training stumbling blocks, there are a number of steps that can be taken to ensure successful diversity training. Organizations should, if they do not have skilled diversity trainers in-house, consult with an external agency prior to commencing diversity training planning [72]. If this is not possible, a number of steps or best practice guidelines may be used in an attempt to ensure diversity training success.

Organizations should first attempt to engage employees. Engagement should be sought and developed not solely during the training process, but also both before and after the training. Employees should be asked for, and encouraged to give, feedback while training initiatives are being formulated and evaluated [75]. Organizations should also promote an environment of open communication. Employees across all levels of the organization should be encouraged to express any diversity related concerns, and trainers should acknowledge tensions that exist in the organization. It is also useful to communicate an individual business case for

diversity training [78], which involves outlining to employees what possible advantages diversity training may result in for them, as opposed to overall organizational benefits.

Organizations should also set their expectations of the training initiatives, and adopt clear metrics. These metrics may include setting recruitment goals, and providing equal opportunities [75, 78]. It is advisable that organizations prepare in advance for challenging situations which may arise during training initiatives, bearing in mind that diversity training, whether awareness based, skills based or both, may result in some discomfort, particularly if assumptions are being challenged. Training is not a panacea that automatically results in change [78], and so an attempt should be made to help training participants understand that change is a process that takes both time and patience, and to remind them that individuals are coming to the training sessions with different perspectives and experiences.

As with all training events, the use of a variety of activities in order to appeal to different learners is also recommended, as an important aspect of diversity training concerns encouraging individuals to share their own experiences [78]. Indeed this would support a move to inclusion later, as part of the foundation of an inclusionary culture is that individual differences are integrated into the organization. Sharing can, if deemed necessary, be done anonymously or via pre-prepared examples gleaned from the organizations workforce. Overall, it is important that training is approached in a positive manner by the organization. Diversity training, regardless of type or focus, has potential to result in complex situations, and it is likely that the trainees will mirror the trainer, and so it is important that the trainer maintain a positive, informative [75], non-judgmental and unbiased tone.

Finally, as with every other element of diversity and inclusion efforts, the support and investment of top leadership and management in the diversity training process is critical to its success [73, 75, 79]. Senior management should attend training initiatives to signify their support and diversity training strategies need to be linked to the vision and business goals of the organization [73, 79], which will serve to add further weight to its importance.

Regardless of the approach organizations take to diversity management and diversity training, there is a tendency to become simplistic or rigid when considering differences [13]. Despite its best intentions, as referred to earlier in the chapter, diversity can present a number of challenges and become divisive rather than unifying. It is necessary, therefore, that diversity management go further than complying with existing legal rules or attempting to react to shift in workforce demographics [70]. Organizations need to move beyond diversity management towards creating an organizational environment that is inclusive for all employees [1, 23]. Individuals need to feel, and actually be, included in their place of work (13). Any diversity initiative will be more successful if managers engage and use processes that foster equity, consensus and empowerment among, and of, employees (43). Inclusion is the crux of organizational diversity efforts (23) and, ultimately, organizations should move towards inclusion.

7 Moving to Inclusion

Via diversity training, organizations can encourage employees to consider what makes them different, not, as discussed earlier, for the purpose of negatively highlighting differences, rather with a focus on how those differences can be harnessed to enhance employee, team and organizational performance. Focusing not just on differences, but also on similarities among individuals who appear quite different, can assist in increasing understanding and group harmony, and enhancing the perceptions among employees of a shared sense of purpose. This relates back somewhat to the suggestion of paying attention to the superordinate goal, as earlier discussed.

Diversity management, and diversity training components of it, have the potential, to be divisive, regardless of original intent. As discussed, the process may result in attempting to understand employees by “assigning” them to, and viewing them in light of assignment to, a particular grouping. This rigid categorisation has the potential to ignore other aspects of an individual’s diversity, potentially resulting in individuals feeling marginalized or misunderstood. Consequently, while organizations should build a foundation on diversity management and employee diversity training to help enhance understanding and open channels for communication, it is recommended that they do so with the ultimate aim of creating inclusion (See Fig. 3).

Inclusion concerns holistically viewing the employee, integrating both their similarities and differences into the fabric of the organization. Employees are allowed to be their full selves while in the workplace, and both their differences and similarities are leveraged to improve organizational functioning and performance. Organizations are strongly advised to take such an approach to diversity, and, generally, talent management.

Earlier, it was noted that inclusion occurs at both the individual and organizational level, and is contextual, individual, and transient in nature. This means that creating and maintaining inclusion is an ongoing process. Regardless, organizations can capitalise on the identification of a number of contributory factors assisting in the developing and maintaining employee perception of inclusion, as identified in Fig. 3. While these factors are certainly useful, it is of course also important to remember that as all employees are different, the factors identified in Fig. 3, and about to be discussed, may not automatically make all employees feel included, as what constitutes inclusion is different for different people.

As highlighted in Fig. 3, the first contributory factor that organizations can develop, encourage and maintain relates to teams. Having a sense of team has been identified as important for inclusion, therefore, organizations should identify ways in which a team orientation can be created [11]. While the structure of some organizations may more naturally result to team working, for example small organizations, hospitals or group-based sales environments, other organizations may, for example, schedule team meetings or briefings, or encourage inter or cross-departmental problem solving. A team orientation can be encouraged from

the onboarding stage in large organizations by grouping individuals from different departments together for a portion of their onboarding, to allow the development of relationships across the organizations departments, allowing even individuals who typically work individually or as part of a small group to feel part of a greater team. Organizations could also take advantage of common training, such as legally mandated training or of course diversity training, to bring individuals from different departments, or departments in which performance is strongly individually based, together. Again, this can facilitate a feeling of being part of a team, helping individuals for whom this is important to perceive inclusion.

The second contributory factor that assists in moving towards an inclusive organization concerns stability, in the form of the related concepts of familiarity (in a unit or department) and relationships (in the workplace). Individuals should be allowed to form and maintain relationships in the workplace. Consequently, organizations are, for the purpose of developing inclusion, advised to avoid unnecessary, frequent, transfers across departments. If such transfers are necessary, organizations may find it useful to encourage, and facilitate, cross-departmental relationship building, whether by formal or informal means, in an attempt to create familiarity throughout the organization. By engaging in group onboarding when appropriate, as discussed above, familiarity throughout the organization will be more likely.

Employee engagement, the third factor identified in Fig. 3, is also important for inclusion. Perceiving respect from colleagues, in addition to being willing, and believing there exists the freedom, to offer opinions on work related matters, are further contributory factors. Feeling respected and free to engage in dialogue in the workplace are elements of employee engagement, suggesting that a link exists between engagement and inclusion. Consequently, organizations should, in conjunction with inclusionary efforts, also focus on employee engagement, as both engagement and inclusion arguably support and reinforce each other. There is, however, a need to be cautious here. For some employees, being asked for their opinion directly or publicly can be quite uncomfortable, not because of inability, but because of personality or cultural norms, leaving them feeling unincluded. As such, if aiming to increase engagement through participation, it may also be useful to allow individuals to give opinions or suggestions privately, perhaps via email.

The final contributory factor identified in Fig. 3 concerns management. Management have a role to play in creating inclusion, much like they do in championing diversity. While what constitutes inclusion is subjective, and therefore different for every individual, management do have a role to play. If managers are seen to behave inclusively, this symbolises the importance of inclusion throughout the organization. If management are seen to encourage individuals to engage their differences to assist in their work, this symbolises acceptance and valuing of differences. Additionally, managers have a role to play in reinforcing organizational culture, and so have a role to play in reinforcing a culture of inclusion. Managers can act as driving forces, or champions, for the other contributory factors identified and discussed above. Of course, in order for managers to behave inclusively, they too must perceive inclusion, again reinforcing the notion that inclusion must be considered at the individual, team, and organizational level.

8 Thinking Practically: Areas of Diversity to Be Considered

The purpose of this final section is to give the reader a starting point from which they can consider elements of diversity, both their own and others, and begin to consider ways in which they, and their organisations, can accommodate or address these diversity dimensions.

There are a number of facets of diversity that may have particular implications for organizations, or that organizations can work to accommodate or address. This section does not give an exhaustive list, indeed it cannot, as the variety of differences among people is potentially endless. Instead this section focuses on some facets of diversity that may commonly be found across workforces, and identifies a number of accommodations from an inclusionary standpoint. From the outset, it should be noted that many accommodations made for one “group” may also be beneficial to the organization’s employees as a whole. It should also be noted that, where possible, if accommodations are applicable to all, it is advisable to allow access to all, in an effort to avoid some of the challenges discussed earlier in this chapter.

Table 1 identifies a set of diversity variables, and possible implications associated with each. It is important to note that there may be implications not identified in this chapter, and that not every implication identified might arise in every organisation. It is also important to remember that the extent to which some issues raised impact individuals can vary across individuals dependant on their own outlook or personality, or vary across organisations dependant on organisational culture. Indeed, part of the purpose of developing an inclusionary workforce is that employees feel comfortable to discuss their particular needs, and to request reasonable accommodations. Thinking ahead to what those accommodations may be enhances the organisations understanding of why some employees may, in the absence of accommodations, not feel included.

It is important to not assume that all potential implications identified in Table 1 will be present in every organization, and that every employee who relates to any of the identified areas will be affected to the same extent, in the same way as others, or indeed at all. Ideally, if operating as an inclusive organisation, issues identified in Table 1 may exist to a much lesser extent. Regardless, there are a number of possible ways to address, or accommodate individuals, based on the identified potential implications. Many of these methods of address or accommodation will likely apply to a number of scenarios.

First, however, organisations need to identify what paradigm for managing diversity they, the management team, or the wider employee population are operating under, remembering that they may not all be operating under the same paradigm. This is important as it can dictate the extent to which identified implications may be more likely or problematic, and the extent to which initiatives to address the implications are given weight, or are effective.

Table 1 Practical implications

Area of diversity	Possible implications
Gender	<ul style="list-style-type: none"> • An increase of males in a traditionally female dominated workforce, or <i>vice versa</i>, may result in perceived tokenism or reverse discrimination • Continuing issues with low levels of female participation at senior levels may result in high levels of female turnover or lesser levels of female self-investment • Pull factors (for example child or elder care) appear to still affect female employees more than male employees, and may affect turnover rates • Gender pay gaps are still a concern, and identification of any inexplicable gap in the salary of female employees will likely pose problems
Gender identity	<ul style="list-style-type: none"> • Heteronormativity in many organisations means assumptions are made regarding gender e.g. individuals who appear physiologically male are presumed to psychologically identify as such. Confusion and a lack of understanding surrounds many gender identities, and so employees of differing identities may feel isolated • A lack of understanding with regard to transgenderism can result in a reactive approach to employees who decide to transition (note: not every transgender employee will choose to disclose their identity, and not every transgender employee transitions i.e. not every transgender employee is transsexual) • Employees of differing gender identities may have a preference for different pronouns e.g. an individual who physiologically presents as male but identifies as neither male or female may prefer gender neutral terms
Sexual orientation	<ul style="list-style-type: none"> • Again, heteronormativity in organisations can result in assumptions being made regarding the gender of individuals partners or spouses, which can result in individuals feeling excluded, or unable to bring partners to events • Homophobic oriented 'jokes' can make it difficult for some individuals of non-heterosexual sexual orientation to disclose their sexual orientation (if they desire to do so) in the workplace, or to feel included when they do • There can be friction, real or perceived, between individuals of particular faiths and individuals of non-heterosexual orientation
Religion and beliefs	<ul style="list-style-type: none"> • Different religions have different days that are important, meaning employees requests for holidays may come at a wide variety of dates and times of year, potentially causing difficulties for rostering • Different religions and belief systems have differing teachings regarding a variety of topics, which can result in friction among employees, particularly perhaps concerning areas such as sexual orientation, marriage, appropriate dress and behaviour, the roles of women and men etc.

(continued)

Table 1 (continued)

Area of diversity	Possible implications
Race and ethnicity	<ul style="list-style-type: none"> • Individuals and organisations can be assumptive and presumptive about an employee's religion or belief system, or the extent to which they practice, based on where the employee or their parents came from, which can result in misunderstandings or the employee feeling marginalised • Assumptions, or misguided presumptions, are often made about individuals based on their racial or ethnic background, which may result in individuals who do not fit the presumed categorisation associated with their race or ethnicity feeling marginalised • It is also often thought that because an individual is from a particular ethnic background that they practice a particular religion, and so well-intentioned efforts to assign particular days off, for example, may not be what the employee desires • Conflicts may exist between employees of different racial or ethnic backgrounds stemming from historical events • Racism may be in an issue in an organisations employing individuals from a variety of races and ethnicities, perhaps potentially more so in some countries than others, which can be difficult to deal with if ingrained in employee's psyches
Culture	<ul style="list-style-type: none"> • National culture can influence how employees perceive their and their managers role, their work ethic and expectations, style of dress, communication style and: • Whether there should be a large or small gap between those who are in power and those who are not; • The extent to which they feel they should be involved in decision making or performance reviews (and whose); • The extent to which they accept risk, or need structure and rules; • Their values and preferences with regard to rewards and incentives, for example individual versus group based, commission versus definite bonus etc. and with regard to their desire for work-life balance; • Preferences for working as an individual or as part of a team; • Whether they focus on the present or the future [80–84]
Age	<ul style="list-style-type: none"> • Dependant on their personal views on age, conflict may arise between some younger and some older employees • Similarly, age discrimination against older or younger employees on the part of management can impact both performance [85] and recruitment/retention • Different age demographics are purported to have different preferences with regard to, for example, management styles, flexibility, work life balance [86] and rewards • Older employees may have a desire to reduce working hours or change job roles
Abilities/Disabilities	<ul style="list-style-type: none"> • While many countries now have anti-discrimination legislations in place, individuals with disabilities may still be discriminated against in the recruitment process, leaving organisations open to law suits • It can be perceived by existing candidates that new employees with disabilities may have been hired as part of a quota, potentially resulting in perceived tokenism

(continued)

Table 1 (continued)

Area of diversity	Possible implications
Learning style	<ul style="list-style-type: none"> • Assumptions about the ability of employees with disabilities to do the job they were hired for can result in those employees feeling marginalised or feeling forced to accept help that they do not require, resulting in frustration • People learn differently, and at different speeds, meaning some employees may take longer to learn new process or adapt to change • Some forms of training may be less effective for some employees, which, if not recognised, can be frustrating for the employee, the team and management
Communication style	<ul style="list-style-type: none"> • Related to Culture, employees may have different perceptions regarding what constitutes an appropriate amount or type of communication, meaning some employees may expect formal, some may expect informal, and some more than others • Employees may also have differing perceptions regarding what constitutes appropriate media for communication, either in general, or dependant on who they are communicating with • Some employees may be more focussed on work-life balance, and become frustrated by communication outside of working hours, potentially resulting in increased conflict or additional stressors
Personality type	<ul style="list-style-type: none"> • An individual's personality can impact the extent to which they are involved in their job, committed to the organisation, the manner in which they perform [87] or how they perceive their own performance levels • Differing personality types can result in inter-team friction and personality conflicts, damaging organisational performance (consider for example Type A versus Type B personalities, Introverted versus Extroverted personalities) • Some personality types may be more likely to engage in presenteeism and over-work (e.g. employees high on the Neuroticism scale), which can result in burn-out, or if employees are sick result in spreading illness, ultimately costing the organisation more, rather than seeing an increase in productivity
Parental status	<ul style="list-style-type: none"> • Employees who do not have children can be more likely to engage in presenteeism in the form of attending work while ill [88], which can increase organisational costs if others become ill, and decrease productivity • Employees without children may feel that availing of flexible working options is frowned upon [63] which can result in feelings of inequity and frustration, negatively impacting turnover and performance • Assumptions can be made with regard to whether employees who are parents desire promotions or increased workload, which can result in such employees feeling overlooked, which can also impact retention • Employees during, and returning post, maternity leave may feel forgotten about or unsure of new organisational developments, increasing turnover potential • Similarly, employees availing of flexible schedules to assist in balancing work and parental responsibilities may also feel “out of the loop” if not kept up to date with events happening when they are not in the organisation

Source Author (O'Donovan 2017)

Under the Resistance Paradigm for managing diversity, concerns develop amongst a majority that they may be displaced by minorities. Under this paradigm, all visible differences, and increasing pressure for diversity, are considered threats [89]. This may render diversity training and inclusion initiatives less effective, and may increase the likelihood of perceiving new hires as token hires, or fears of reverse discrimination.

Managing diversity through the Discrimination and Fairness Paradigm, which is based primarily on equal opportunities, fair treatment, recruitment, and compliance with legislation, carries the potential implication of focusing too much on achieving what is perceived as the “right number” of diverse employees [31], rather than the right people for the job. Essentially, this paradigm holds that as certain demographics have been excluded from the workforce in the past, a concentrated effort should now be made to include these demographics in the workplace. This can result in the use of quotas to increase the number of employees from these demographics. Thomas and Ely [64] do observe, however, that while organizations operating under this paradigm measure progress in diversity by how well they achieve their recruitment and retention goals, it does actually move beyond being solely concerned with numbers.

Under the Access and Legitimacy paradigm, diversity efforts are not based on trying to now be fair to underrepresented demographics, rather the proposition is that diverse employees should be hired because it makes business sense [64]. Organizations, managers or employees operating under this paradigm realise that the differences among employees can be used to enhance performance, primarily as diverse employees are reflective of the diverse marketplace, and so can tap into diverse demographic markets.

The Learning and Effectiveness paradigm is not only the most closely linked to the concept of inclusion, but also incorporates employee's diversity in to how work is done [64], rather than fearing diversity, considering it because it is the ‘right thing’ to do, or using diversity to be reflective of customers or clients. Without developing an understanding of where the organization and employees stand regarding diversity, even acknowledging the implications of diversity will be difficult, and so addressing the implications appropriately will be even more difficult. That being said, organizations can use the advantages of diversity and inclusion, as discussed earlier, and the directions on moving towards inclusion to achieve a position of Learning and Effectiveness and Inclusion.

Having identified the paradigm for managing diversity, there are a number of practical things that organisations can do to address, prevent, or accommodate, employees affected by the implications of diversity identified in Table 1. First, organizations should fully capitalize on awareness and skills based training undertaken as part of diversity management initiatives. As discussed earlier in the chapter, awareness based diversity training can be used to identify assumptions, and now, in the context of this section, to reduce the likelihood of the assumptions identified in Table 1 being made. Awareness training can, for example, be used to educate employees on elements of diversity such as gender identity and sexual orientation to address prevailing heteronormativity. This can be complimented by

skills based training which explains what differing identities and orientations mean with regard to defining and explaining terminology, and explores gender neutral, inclusive language, and how to use such. This can be as simple, for example, as writing “partners welcome” on invitations to events rather than “spouses welcome”, or, as some employees may not wish to disclose their sexual orientation or gender identity, simply writing “all guests welcome” instead. Considering transgender employees, awareness training can again be used to explore this facet of diversity, allowing employees to ask questions, but also to develop an understanding of taken for granted non-issues that may pose a problem for these employees. An employee who identifies as male but appears female, for example, may not be comfortable using female facilities. As such, accommodations that can be made for these employees include non-gendered changing facilities non-gendered toilet facilities, and the use of male pronouns (if so desired by the employee). It is also advisable to develop a strategy in advance to assist employees who decide to transition. While each individual will deal with this in a different way, developing guidelines in advance that can be tailored to assist the employee in the workplace can make this transition smoother, and help the employee to feel included. Managers can think ahead to how to communicate with the employee’s colleagues if that is what the employee prefers, although some will prefer to discuss their transition themselves. Managers can also establish how they will support the employee if they face issues with existing customers or clients. While it is useful to have guidelines in place to be proactive, however, the best starting point for accommodating a transitioning employee is to allow them to discuss what it means for them, and what they need from the organization in order to continue performing.

Organizations should make use of skills based training to equip individuals with the ability to work with employees who seem quite different. Training employees on different cultures, races, ethnicities and religions, for example, will not just allow employees to understand the differences across these dimensions of diversity, but also help them to understand why some employees may react differently to different management or communication styles. In addition, by more fully understanding different cultures and religions, employees can also identify similarities. Many religious practices and belief systems, for example, have similar teachings regarding the importance of family, forgiveness and neighborly behaviour.

Factored in to training initiatives should be a reminder of the reasons diversity is important to the organization, and identification of the organization’s diversity and inclusion goals. This is important to allay fears of tokenism and reverse discrimination. Similarly, rather than becoming overly focused on hiring people from different demographics as per the Discrimination and Fairness Paradigm, organizations should instead focus on hiring the best person for the job. While there is no guarantee that an employee will perform appropriately post selection, by aiming to hire the best person to fill the position, the likelihood of the individual being perceived as a token hire can be reduced. Indeed, if always focusing on who the best candidate is, the organization will likely always be diverse, as sometimes the best candidate will be male, female, younger, older, be from a different country etc. If, however, the organization is unable to keep diverse employees once they

have been hired, making use of exit interviews would be a useful strategy to uncover why diverse employees are being selected but leaving. Furthermore, if diverse employees are not applying to the organization, or are applying but “similar” employees continue to be hired, it would be sensible to examine the organizations recruitment and selection policies. If these policies appear to be sound i.e. should not be resulting in the exclusion of diverse employees, it is then suggested that hiring managers engage in awareness training to identify whether any biases or prejudices are preventing the selection of diverse candidates.

Employees should also receive training regarding relevant anti-discrimination legislation, and behaviour policies such as codes of conduct, and what constitutes discrimination, harassment, and inappropriate language or behaviour. The consequence of engaging in discriminatory behaviour or language should also be identified, and included in disciplinary procedure documents. After initial training, these training initiatives should be included at onboarding, and also in refresher training. This will assist in reducing the likelihood of some issues identified in Table 1, for example homophobic ‘jokes’ or friction between employees of different faiths. In a similar vein, again as mentioned throughout the chapter, employees should be reminded of the superordinate goal, and that they are in the organization to work together to achieve, regardless of personal opinions regarding diversity. Diversity training can again be used for this, but HRM processes such as performance appraisal, feedback, coaching and mentoring can also be used as reinforcers. Both individual and group performance metrics could be built in to performance assessments and rewards considerations in a further effort to encourage employees of differing backgrounds to learn to work together.

Next, organizations should aim to have variety in their approach to communication and training to address the points highlighted in Table 1 regarding employees of differing learning and communication styles. There is little point being aware, and training employees, that people learn differently, if all training is conducted the same way. While not every type of training can be adapted to cater for every learning style, wherever possible, incorporating different learning strategies in to training development can make more employees feel included. In order to address differing communication styles, and avoid issues associated with miscommunication or lost meaning, a set of guidelines for communication can be developed, to assist employees in identifying how to communicate appropriately in different situations.

While work-life balance arguably appears to be becoming more of a struggle in the modern workplace, organizations should, although it may not be appropriate for all jobs, consider flexible working options. Flexible working gives employees more control over how, when and where they work. This can assist employees facing child or eldercare responsibilities. Flexible working is also beneficial for workers of different ages, with younger workers demanding flexibility, and older workers seeking flexibility for a variety of reasons in the later stages of their careers. Options such as telecommuting may also benefit individuals with mobility impairments, allowing them to work either from home or a place of more convenient access. It is important, however, in order for such practices to be truly useful, that employees

are aware that they can avail of these options without feeling as though they are being frowned upon, and that, again where possible, these options are available to all, regardless of parental status, age or disability. It is also important that employees who are working on flexible schedules or away from the organization are kept up to date with developments to prevent them feeling isolated or excluded.

Finally, the simplest strategy for dealing with the content of Table 1 is simply to ask employees what they need, and accommodating these needs where possible. When accommodation is not possible, reasons should be explained to the employee. As discussed earlier, inclusion in the workplace takes different forms, and is contributed to by a number of factors. The people who are best placed to identify how their diversity may impact performance are the employees themselves. Allowing employees to identify their individual needs, without making assumptions regarding their needs based on limited understanding of some characteristics of their diversity will enhance perceived inclusion.

9 Conclusion

The aim of this chapter was to equip readers with a better understanding of what diversity and inclusion is, why we should be interested in it, and how we can become inclusive. The inclusion of diverse employees is not simply something that is ‘nice’ to do, rather is something that should be done, and, if done well, carries possible advantages for both the organisation and the employee. Diversity may carry significant challenges for the organization, many of which may be difficult to overcome. By striving to be inclusive, however, using the tools provided in this chapter, and by thinking practically about minor accommodations that can assist many employees to better do their job, diversity and inclusion no longer have to be, or remain to appear to be, complicated.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

Select True or False for the following statements. Answers are included after the Reference Section.

1. Diversity is a new phenomenon, which emerged in the last 20 years or so.
True False
2. Inclusion is solely concerned with helping employees who do not belong feel that they do belong.
True False

3. Organizations should primarily be concerned with inclusion at an individual level.
True False
4. Some employees believe they should have an active role in their own inclusion.
True False
5. An individual's diversity impacts how they perceive inclusion.
True False
6. Diversity and inclusion present different benefits, and so should be dealt with separately.
True False
7. Awareness based diversity training and skills based training can be used to support each other, and help to begin inclusion efforts.
True False
8. Once a culture of inclusion has been established, employees should in future feel included.
True False
9. Organisations should avoid asking employees what diversity and inclusion means to them, and what would help them feel included, as it is impossible to make every employee happy.
10. The Learning and Effectiveness Paradigm for managing diversity concerns incorporating diversity into how work is done, and is the most closely matched paradigm to inclusion.
True False

Answers

1. False
2. False
3. False
4. True
5. True
6. False
7. True
8. False
9. False
10. True

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Management of (Business) Expatriates

Y. McNulty and C. Brewster

Abstract This chapter summarises what we know about expatriate and the management of expatriates. Indeed it goes a little wider to look at a variety of forms of international mobility that multinational enterprises can use. It examines particularly how such enterprises can manage their expatriates better and how they can control the costs whilst still getting the desired return on their investment.

1 Introduction: Defining Expatriates

Millions of people work in other countries than their own and many of these are business people sent by their employers. This is not new: religious bodies have been sending missionaries abroad for thousands of years; the huge European trading companies set up to trade with the Far East were established well over four hundred years ago and sent British and Dutch citizens to work in the Indies. For much of this time national boundaries were rather fungible. The introduction of passports as a necessity for travel was established only during the First World War and helped to formalize international mobility.

In everyday parlance, business expatriates are people working in a country other than their own declared home country, sometimes on generous terms and conditions of employment, for a limited period of time. Let us tease apart the three required elements of this definition. The first is that these expatriates are working: of course there are many people living in countries other than their own who are of limited interest to business and management scholars—there are retired people who go to live in (usually) a sunnier and cheaper country; there are students who go to another country to study. But insofar as these people are not working in their new country, they are not part of the labour force and they are not subject to human resource management policies and practices; they consequently do not fit within our definition.

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Second, like migrants, expatriates are living and working somewhere other than in their home country—‘home’ being determined by their passport and citizenship—thus undertaking a ‘change in their dominant place of residence’ [1].¹

Third, business expatriates normally go to the foreign country for a defined period of time—usually two or three years, sometimes longer and, amongst for example Japanese expatriates, sometimes for more than a decade. The option of return (repatriation), or moving on to another foreign assignment (re-assignment), is fundamental to the concept of expatriation: expatriates intend to reside temporarily in the host country, which is what distinguishes them from migrants [2].

If the three conditions are met, then we are discussing business expatriates.

In most instances, expatriates relocate abroad with their families, although in some industries such as natural resources and mining, and in the military and non-profit sectors, an expatriate’s family may elect to stay at home, often for safety or personal reasons, in ‘split family’ arrangements. But not all business expatriates fit the traditional profile of a male, western, heterosexual employee with a lawfully married wife and three biological children that has never before lived abroad. Some expatriates grow up as third culture kids or are the product of bi-cultural or multi-cultural families and much more used to operating across cultures [3]. Depending on countries and organizations, up to 20% of those deployed by organizations are female expatriates, sometimes single and childless and sometimes as female breadwinners with a male trailing partner and/or children [4]. Homosexuals may relocate abroad (with and without partners/children), so may single parents, families with special needs or gifted children and adopted children, blended expatriate families, and empty-nesters [5]. Though we know less about them from our research, there are also expatriates of a variety of skin colours and rapidly increasing numbers of expatriates from the developing societies [6].

We can divide business expatriates into two categories: assigned expatriates (AEs) and self-initiated expatriates (SIEs). The stereotypical organisationally assigned expatriation is for people whose careers typically unfold within one organization which seeks to help them improve their career advancement within the company through one or more long-term assignments [7]. There are those who do not fit the stereotype: certain people in the oil industry, for example, are skilled experts at the process of sinking wells, even in highly distant, dangerous or complex situations. They may frequently move from organisation to organisation as once the wells have been dug, these individuals have to find other employment, usually in the same industry. Similar patterns exist in other highly skilled industries such as information technology or banking. Generally speaking, though not always, managerial expatriates are longer-term employees of the organisation; technically

¹Critically, the requirement for physical (as opposed to psychological) mobility excludes employees whose roles do not require short- or long- term geographical relocation and/or movement such as virtual expatriates, global virtual team members, global domestics, domestic international managers, and global managers with worldwide coordination responsibilities who do not engage in business travel [8, 74].

skilled specialists may or may not be. The crucial part of the definition of AEs is that their employer sends them.

In contrast, self-initiated expatriation is characterized more broadly as being for ‘individuals who initiate and usually finance their own expatriation and are not transferred by organizations’ [8]. Unlike AEs, self-initiated expatriates (SIEs) tend to be uninhibited by organizational and occupational constraints, and are motivated to take charge of their careers rather than to wait for their organization to arrange for an appropriate career opportunity involving international work experience [7, 9]. They can arrive in the new country in various ways [10]: they may want to live in a particular country, go there and then get a job—at which point they become a business expatriate; they may be the trailing partner of an expatriate whose relationship has come to an end and decide that they would prefer to live and work in the host country than to go home; they may be students who stay on after they have graduated even though they intend in the future to go home; they may have looked for a job in a particular company or industry and found that the best opportunities were abroad; or they may work for one of the intergovernmental organisations, such as the United Nations or the European Union, where the jobs that are offered are in specific countries. SIEs have high agency and are usually externally recruited in the host country. Unlike migrants, SIEs do not intend to stay permanently, even if their stay abroad exceeds the typical duration of an AE stay.

Business expatriates are expensive people: they usually receive their home salary plus an incentive for working abroad and maybe, if they are going to a higher-cost country, an adjustment (known as a cost of living allowance or COLA) to ensure that their standard of living remains at least equal to their home standards. In addition, there are transport costs, accommodation costs, maybe a financial allowance to compensate for their partner having to give up their job, school fees for their children (as local schooling is often not an option), insurance, chambers of commerce memberships, and health service guarantees. On top of that are the costs of running a global HRM service to manage these people from afar. There may be tax or other fiscal complications in the home and host country resulting in further allowances being necessary. In sum, they can be costly people to employ.

Consequently, business expatriates usually perform critical technical functions or important managerial roles. Organizations use them because they have skills otherwise lacking in that location, or to enhance co-ordination and control across national borders, or because expatriation is a superb career development experience. The continuing growth in the world-wide numbers of expatriates [11] shows that companies at least believe that they bring advantages to global communication across their organization even in these times of enhanced transport and communication links.

Employment as a business expatriate is an important role: A company does not send them long distances to do menial work. In smaller countries, these expatriates may move in the same circles as government ministers and celebrities. Expatriation is therefore a great ‘proving ground’ for the MNE’s ‘talent’ [12]. If a business expatriate can manage the wider responsibilities in a smaller environment, then he or she may be on track to do it in a larger part of the operation somewhere else in

the world or back home at ‘headquarters’ (HQ). Consequently, as business expatriates are usually operating at a senior level or in a crucial technical role, they will have wider and higher-level responsibilities than they did at home. There is a direct, but not well-understood, link between expatriation and talent management [13].

Business expatriates can be sent to anywhere in the world but will generally live and work in major cities. Some will find themselves in Paris, London, Dubai, New York, or Hong Kong, others in much less attractive and sometimes even dangerous cities such as Moscow, Nairobi, or Karachi. As a general rule, the ‘tougher’ the city, the higher the expatriate salary premium or the financial bonuses offered to incentivize expatriates to relocate to these locations. Most perhaps will have some sort of support network around them—the local company operation and ‘host country national’ employees (HCNs), and an expatriate community that often includes significant numbers of people from their home country. Others might find themselves without this support perhaps establishing new operations in emerging markets such as Myanmar or Albania, or they may be living in expatriate ‘compounds’ more or less cut off from the locals in locations like Qatar, Shanghai, Jakarta, or Baku. If they are expatriates working for religious organisations or charities they may find themselves as the only foreigner living ‘up-country’ away from the major centres of population whilst they try to convert locals to their religion or bring water or sanitation or some other value to bereft populations.

Wherever they come from and go to, the process of managing expatriates is always problematic. For MNEs, there are three major challenges.

- The first is improving the way that expatriates are managed. All HRM practices are capable of improvement and it seems from the research that expatriation is definitely one of them. We address the various steps in Sects. 2.1–2.5.
- The second is performance assessment: given the importance of expatriates to the organization, how can an employer be sure that they are worth the extensive costs? Expatriate performance is multi-faceted, since many components at the individual, organizational and societal level often combine to influence whether a business expatriate will be successful in achieving their performance goals. Measuring and monitoring of expatriate return on investment has proven thus far to be very difficult. We address the issues involved in Sect. 3.
- The third major challenge for an MNE is controlling the costs and one way to do that is to think about less typical ways of ensuring international mobility. We address these issues in Sect. 4.

Finally, in Sect. 5, we draw some conclusions

2 Doing It Better

In this section we focus on assigned expatriates and return to self-initiated expatriates later on. In the context of AEs we examine, in turn, the processes of their selection, preparation for expatriation, pay and rewards, adjustment, and return.

2.1 Recruitment and Selection

Most assigned expatriates are, as we have seen, selected from amongst the existing employee pool. Doing so ensures that they understand organizational systems and are well connected with the way things work and the people who make them work: they thus represent valuable assets to bring to the new location. It might be assumed that these expensive and important people are subject to very careful selection and there have been many studies of selection criteria. These result in long lists of ideal characteristics, but usually technical ability is high amongst them [14]. Foreign language abilities is also often uncovered as a key criterion [15], particularly in studies of European MNEs. Most of the studies find important criteria to include flexibility and relational skills, self-reliance and cultural awareness [16].

The reality is, however, that many expatriates are selected according to what has been called the ‘coffee machine’ system [17]—managers discuss vacancies informally around the coffee machine, identify one of the people they know who might do well and, after a few formalities, that person is selected. In other words, the key criterion is being known to a senior manager. This happens much less in major multinationals but even there it is not unknown [18].

2.2 Preparation

Despite the fact that there has been much research on the topic [16, 19, 20], there may be little to say about expatriate preparation. That is because, firstly, the research is equivocal: some researchers [21, 22] find that preparation for the move to another country is vital; others find no evidence that it works [23, 24]. Partly this is because the researchers are studying different kinds of preparation and training. Secondly, it may well be that expensive preparation programmes, cultural immersion, or country briefings work less well than informal learning from other people, i.e., from other families that have been there as expatriates before. Thirdly, most MNEs do not make cross-cultural training and other aspects of preparation compulsory, resulting in a decline in take up and a perception that it is ‘not needed’. Fourthly, preparation is an area where technology is changing the way things work [25]: it is now possible to experience much of a country—its topography, its languages, its customs—without moving away from a keyboard and screen. In any event, most expatriates get very little preparation at all, usually because the time between the decision to send them and them leaving for the new country is very short—and the expatriate has much to do in that time: finishing up work project and handing them on, getting around to say goodbye to family and friends, sorting out what to do about their accommodation (sell, lease, rent, leave it empty?), their car, their dog, and so on. They don’t have time for much preparation, and the internet and informal advice gives them most of what they feel they need.

2.3 *Pay and Rewards*

Expatriates are often costly people. Most MNEs have traditionally used ‘rich’ compensation packages to incentivise employees to relocate (as AEs). The most common approach is the balance-sheet or full-package—a generous remuneration package with bonuses, allowances and benefits such as tax equalization, look-see trips, COLA, housing, education, spousal allowance, car, home-leave, and club memberships [26]. Such packages are designed to ensure the employee is not disadvantaged by the relocation. But with the availability of more employees willing to relocate abroad to gain valuable international experience [27], particularly younger employees and SIEs, there has been a steady decline in the need for full-package approaches, especially in Asia, and increasingly in Europe, where reduced packages are becoming the norm [28]. SIEs especially are a viable and less expensive alternative to AEs because they are usually already in the location where talent is being sought and can therefore be hired ‘locally’.

2.4 *Adjustment*

For the expatriate, going to a foreign country will be exciting *and* daunting, while also being a wonderful learning experience. Nevertheless, adjusting to new ways of working and to the new environment can be a challenge. Expatriates are expected to understand how HQ works and what HQ wants in terms of policies and work practices in the international operation. Further, they are meant to embody such approaches themselves, being exemplars for the local managers and staff of the ‘HQ way’. At the same time, to be effective, they have to adjust to the local environment so that they can transfer knowledge in the most appropriate way and which will be understood in the local context [29]. From their own point of view, how the assignment impacts their future career opportunities within their company, or in competitor companies, will be critical [30, 31].

Adjustment is one of the most studied elements of expatriation [32], but much of the research has been blighted by poorly thought out measures [33, 34]. Expatriates (and their families where they have them) will have to adjust cognitively: that is, they will gradually learn more and more about their new country and the way things are expected to work there. They will have to adjust affectively: that is, their feelings about the country and their place in it will probably fluctuate extensively over the time that they are there, ideally improving overall as they become used to things in their temporary home. They will also have to adjust behaviourally: they will learn what kinds of behaviours work and, perhaps even more importantly, what fits with local people’s expectations. And they will have to do this in different domains of their lives—at work, in the grocery store, in their sports clubs, at their children’s school, in their apartment block, at social events, and so on. It may sound

daunting, and it is certainly not necessarily easy, but most expatriates adjust well enough to operate effectively, and most, looking back, really enjoy their experience.

2.5 *Return*

When the international assignment is completed, there is then the question of coming home or ‘repatriating’ [35]. This is not as easy as might be expected [36, 37]. Repatriates face problems financially: having gotten used to their higher salaries and standards of living, not only do their allowances disappear but they also have to pay their own accommodation, schooling, travel, and other living expenses. Socially they have changed, but their family and friends have not—often after a first excitement at getting back together, they feel disconnected from what was once familiar but no longer is. At work there may be no obvious job for them to come back to [38], and no-one who has been beavering away at the home workplace wants to hear about their foreign experiences; expatriates often end up doing ‘projects’ to fill in the time until a ‘proper job’ appears, or if it doesn’t they look for other career opportunities. As a result, research suggests that between a quarter and a third of expatriates leave their company and look for a job with other firms in the sector [39, 40]. Given the sunk costs and the expected gains to the MNE arising from a repatriate’s newly-acquired international knowledge and skills [41, 42], this is not good human resource management.

It should be noted by contrast with this gloomy picture for the sending organisations that most expatriates are themselves extremely positive about their international experiences [43].

3 **Measuring and Monitoring Performance**

Are expatriates, and expatriate assignments, good value for money? It depends on who you ask. It also depends on how you measure it and over what time scale.

The research on expatriate return on investment (ROI) considers two perspectives [44]: corporate ROI (cROI; being the benefits from expatriation that accrue to organizations) and individual ROI (iROI; the perceived benefits that accrue to employees arising from the international assignment) [13]. A big challenge for MNEs is to ensure that their expatriates attain enough iROI while the organization, in tandem, also acquires sufficient cROI to make the investment in these assignees worthwhile. Research shows, however, that MNEs manage expatriate ROI poorly, with most not having formal procedures in place to measure it, and business expatriates frequently accruing greater benefits from expatriation than do their employing organizations.

3.1 *Defining Value*

What purpose does expatriation serve and which types of international assignments and expatriates add real value to organizations? Unfortunately, most MNEs surveyed in the major industry reports indicate that they have little clue as to the real value they gain from expatriation. International consulting firm Brookfield, in a 2012 report, found that of the 123 companies surveyed, only 9% formally measured expatriate ROI and none rated their ROI from expatriation as “excellent.” While 42% estimated their ROI as “very good” or “good”, 58% said it was “fair” or “poor.” Part of the problem lies in defining what a return on investment from expatriates really means. The most common definition historically among practitioners has been ‘achievement of the assignment objectives at the expected cost’. Let us assume that the assignment involved clear and measurable objectives (probably a rarity in practice), recent research shows that even so the definition is inadequate because expatriation is more than simply financial costs and benefits. There are also non-financial costs and benefits that need to be included [45]. Consider, for example, the vital role that expatriation plays within the MNE. Early research [46, 47] shows that companies use expatriates to fill international positions when qualified locals are not available, for management development, and to help control, coordinate, and assist in the transfer of a firm’s culture. These purposes have been validated by several industry surveys showing that expatriates are used to fill a skills gap, build management expertise, launch new endeavours, transfer technology, enable managerial control, and transfer corporate culture [11, 48]. In addition to the above, expatriates are also used for: (i) corporate culture reasons (such as an old boys’ network, or continuing to use expatriates because they have always been used), (ii) functional requirements in terms of project-based mobility where a client requires consulting staff on-site, (iii) financial reasons including for bottom-line driven objectives or the cost advantages associated with using expatriates from a certain location (e.g. India), and (iv) convenience reasons, for employees requesting self-initiated transfers for their personal benefit [44].

A more useful definition of expatriate ROI [45] explicitly recognizes that while the value from expatriation should include and acknowledge a financial cost and benefit component, it must also include a non-financial component, which represents what many managers believe is the primary reason for using expatriates, particularly AEs. They define expatriate ROI as ‘a calculation in which the financial and non-financial benefits to the firm are compared with the financial and non-financial costs of the international assignment, as appropriate to the assignment’s purpose’.

The value to be gained from expatriation varies across MNEs according to differences in their industry, geographical location, and size of operation. As such, there may be more than one benefit to be gained from expatriation or multiple potential failures and lost opportunities. Furthermore, the purpose for which an expatriate is used may be too nebulous for some MNEs to identify, making the value to be gained clearer for some organizations than for others. For example,

benefits such as professional development, succession planning, and building leadership capabilities are often difficult to articulate across the organisation or to measure in a meaningful way.

Some research has found that expatriates often gain greater benefits from expatriation than their organizations [44]. Common among these iROI gains is the building of expatriates' "career capital", i.e. the energy, values, skills and networks built up over their working lives enabling them to acquire competencies that can be used within, as well as across, companies [49, 50]. Cartus found that 90% of companies report 'career development' as a major reason for their employees to engage in global mobility [51]. Career development is a major factor in expatriate turnover where the development and acquisition of 'external marketability' to other employers can cause major attrition problems for MNEs when expatriates leave to take up positions with competitor organisations [13].

3.2 *Assessing Value*

Obtaining a measure of expatriate ROI has been a high priority for many MNEs for at least the past decade [52–54], on the basis that doing so will assist managers in MNEs to make better informed decisions about global staffing. Prior attempts to evaluate international assignment value using measures of expatriate ROI have nonetheless been criticized for lacking rigor and substance [54]. Many of the ad hoc measures used have given the perception that measurement is in some way driving the desired organizational actions expected from expatriates, even if the impact has not been visible or has been misleading (e.g., turnover rates, failure rates). At worst, careless measurement may drive the wrong actions and create long-term problems of improper resource allocation and increased costs. How then should the return on investment of expatriates be evaluated? There are two schools of thought.

In the first, commentators have used an 'action research' approach to collaborate with nine multinational companies to develop a set of metrics to explore and gauge the ROI of international assignments [55]. They analysed the purpose of expatriation, investment, performance, promotion, and repatriation and retention as the key foci of measurement. Key insights from their study were then synthesized to provide actionable outcomes for participating companies. Using case study data, the researchers' measured expatriate investment starting from the company systems and calculating the costs associated with each expatriate. They found that during the process of developing the metrics, organizational representatives were afforded the opportunity to debate the purpose of the metrics and to influence the type of measures produced. The measures that were then developed were valuable, meaningful, and useful to the MNEs' managers being used in internal reviews and benchmarking activities as well as incorporated into the MNEs' systems, thereby leading to corporate policy changes. The researchers' contend that their action research approach helped to overcome problems of buy-in and the lack of a skills base to develop measures. A shortcoming of the study is that the reliability and

validity of the metrics developed for the project could not be tested due to proprietary rights held by the participating organisations.

A second school of thought relies less on metrics to instead focus on an ‘evaluation framework’ [13]. This proposes that such a framework is an essential first step before metrics are developed and selected. They do not argue that metrics are unimportant but that more rigour is needed around metrics selection and usage. Their evaluation framework is designed around two phases and five steps to guide both the choice of expatriate ROI metrics (vertical fit/strategic alignment), and how expatriate ROI measurement should be approached (horizontal fit/operationalization).

- In Phase 1, the vertical fit of metrics to a company’s broader strategic objectives is a key first step. Before deciding on actual metrics, the organization must first *ASK*: determine how senior managers across all business units intend to use the information arising from the chosen metrics.
- In Phase 2, the concern is with how to choose metrics that can be implemented and used appropriately on the ground, i.e. horizontally, across business operations. Using four additional criteria, the second step is *MIX*: ensure a range of financial and non-financial metrics are selected, ideally a combination of traditional accounting metrics as well as intangibles (for example, development gains). Doing so pushes managers to capture international staffing value beyond just the (much easier to measure) financial costs associated with international assignments. This is particularly important for assignments where the main purpose is to achieve intangible or ‘softer’ results, such as acquiring inter-cultural capabilities or enhancing leadership skills.
- The third step is *USEFULNESS*: choosing metrics that are clear, feasible, and useful. Clarity requires that any ROI metric be well defined and avoid ambiguity, trivialization, or irrelevance through the use of too few, too many, or the wrong metrics. Feasibility assesses whether a manager can actually collect the required data that the metric demands in a systematic and chronological manner. Usefulness implies that outcomes stemming from the expatriate ROI metrics can be utilized effectively in terms of strategic fit: if an ROI metric has clarity and is feasible, but the outcome will not tell a company what it needs to know about the value gained from expatriation, then the metric has little meaning.
- A fourth step is *SIMPLICITY*: avoidance of being overly prescriptive by attempting to measure the impact of every expatriate activity or every outcome expected from expatriation. It is critical to measure only carefully selected expatriation activities using just a few key metrics, thereby ensuring a greater likelihood of a clear intention for the use of the resulting data, given that less—but more important—data will be collected.
- The fifth and final step is *TIMING*: measuring expatriate ROI at the appropriate time, recognizing that the outcomes to be expected from expatriation may not be fully realized for several years. Assessments of expatriate value also can be made at more than one point in time—for example, during the assignment (via performance reviews), at the immediate conclusion of the assignment, during and/or after the point of repatriation (if appropriate), and in subsequent years as

benefits accrue. Timing is critical because it shifts the measurement of ROI beyond the traditional accounting approach that expects assessments of value to be conducted in the same period in which the initial financial investment occurs. Instead, expatriate value can and should be assessed when the value that is gained is expected to be most apparent.

The most critical aspect of measuring the value from expatriates and expatriation is to understand that metrics is not the end of the story but only the beginning: metrics may tell an MNE what it got, but it won't reveal *why* it got that particular result. Consequently, if the MNE does not know why, it will not be able to improve or repeat those practices that have helped it achieve some measure of lasting return from its use of expatriates.

4 Reducing the Cost: Options

Much of the cost associated with expatriation lies in the administration of the actual international assignment. Costs can be huge. To reduce some of these costs, many MNEs outsource elements of the relocation programme to independent specialists (e.g., Cartus, Brookfield, KPMG) as a way of gaining access to third-party vendor expertise and 'bulk-buying' advantages the MNE does not have. Doing so allows the MNE to focus on its core business. These relocation specialists as well as other associations (e.g., The RES Forum) have the added advantage of providing benchmarking data, which is confidentially collected from all their clients and aggregated anonymously to provide median compensation terms and conditions that is shared amongst member companies. Such data then assists MNEs with setting limits as to what and how much they will offer an AE, concurrent with 'market rates'. Of course, independent specialist companies also have down-sides, including drivers that differ from those of the clients they serve, and it is hard to see how outsourcing to a firm that specialises in standardising can lead to a firm-specific advantage for the MNE.

4.1 Reducing Compensation

One way to reduce costs is simply to offer expatriates a compensation package that is a little less than the market rate. This is easier when expatriates are aware that they are in a talent management group [12]. However, expatriates often compare salaries and there is a danger of demoralization.

4.2 Find Alternatives to (Expensive) Assigned Expatriates

Another way of reducing costs involves finding alternatives to standard assigned expatriates. One of the simplest ways is, of course, to get locals to fill expatriate posts which immediately does away with the need to relocate families and to subsidize expatriates' living expenses. However, locals may not know the HQ culture or have the HQ contacts required to perform well in their role. To overcome this problem, some MNEs now bring 'inpatriates' into their HQ operation from the foreign subsidiary and use the assignment as a learning experience from which the inpatriate then takes back to the home subsidiary their new knowledge and skills [56]. Inpatriates typically undergo shorter assignments of up to 18-months duration and do not relocate with their families. Less ethnocentric organizations also transfer 'third country nationals' (TCNs)—people who do not come from either the HQ country or the subsidiary they are being transferred to. Thus, a US MNE may decide that rather than send someone from the USA to run their Brazilian subsidiary (as an AE), they will send someone from their Portuguese subsidiary (a TCN)—less expensive because they start at a Portuguese salary level rather than at a US one, and they (and their family) will be more familiar with the language and the culture before they arrive in Brazil than a native American who has never lived abroad.

4.3 Avoid Family Relocation

Another way to reduce costs is to shorten the period of time the expatriate spends outside the home country which, in most cases, automatically negates the need to relocate their family. Solutions in this regard range from being away for a few days for *international business travellers* (IBTs), a few weeks to a month for *commuters* and *rotational assignees*, and less than a year for *short-term assignees* (STAs) [57]. IBTs are employees who travel abroad for business reasons, at short notice and to varying international destinations, and maintain their family and personal lives in their nominated home country. Cartus found in a global survey that 60% of organizations expect to see an increase in their use of IBTs over the next 2 years [58]. Similarly, EY found that 54% of organizations have (international) business traveller policies in place [59].

In contrast to IBTs, international commuters and rotators retain a permanent residence status in their home country but work unaccompanied (by family members) on a semi-permanent to permanent basis of between two and three years in another country, and return home at frequent intervals, typically monthly [57]. International commuting is on the rise, with the majority (64%) of the 63 companies surveyed in a Deloitte study reporting an increase [60]. KPMG [61] found similar results among Swiss-headquartered companies with a 42% seeing increases in international commuter activity over a 7-year period (from 8% of companies in 2009, to 50% in 2015). Commuting is used more frequently in regions like Europe,

where there are a lot of small countries close together and where citizens of European Union states can move and work freely between them. Commuting is also common in more dangerous locations where, for example, organisations like the United Nations and some of the leading charities will house families in safer countries nearby to the expatriates who work in the more dangerous location.

International assignments lasting less than one year are typically categorized as short-term [62], and in most cases will be only three to six months long [63]. In many countries, fiscal and legal restrictions surface after six months meaning that someone who resides there for longer risks either paying double tax or falling foul of regulations that govern employment and domicile. Typically, STAs leave their families at home just as IBTs and international commuters do, which significantly reduces the costs of expatriation. STAs are the most common alternative to AEs [64]. KPMG reports, for example, that among 600 global firms surveyed, 81% offer short-term assignments (compared to 26% offering international commuter assignments), and that among Swiss-headquartered companies all of them have a short-term assignment policy, whereas only 85% and 52%, respectively, have a long-term assignment or an international commuter policy [65]. Industry reports provide a clear picture that STAs appear to be well managed, are extremely common, and that companies will continue to use them in the future [11, 59]. STAs are especially valuable in organizations that conduct project-based work [63] because employees can be recruited externally and generally do not require ongoing employment after the project is completed, and as they generally do not relocate with their families they are committed to working long hours [66].

Taken together, the affordability of cheaper travel along with improvements in communications technology (Skype, WhatsApp, Facebook) over the past 15 years have increased the ease with which these alternative solutions to AEs can be utilized by MNEs [67, 68]. But as with most things, cost reduction initiatives can also incur unforeseen opportunity costs. Being separated from family members as well as relatives and friends is stressful for the employee and his/her at-home spouse and children, and can have spillover effects across work and home domains [33]. Work-induced separation places a psychological strain on left-at-home family members (particularly partners) which has been shown to result in anxiety and depression and to increase workplace pressure and stress [69].

4.4 Hire Expatriates Locally

Hiring expatriates locally automatically reduces the costs associated with expatriation because expatriates can be employed on local salary terms and conditions using *local-plus* or *localization* [70]. Locally hired expatriates are predominantly SIEs although in some cases AEs have also been shown to transition to local hire [44]. Local plus involves paying expatriates according to the salary levels, structure, and administration guidelines of the host location, as well as being provided, in recognition of their foreign status, with special benefits such as transportation,

housing, and the costs of dependents' education [71]. Not all expatriates on local plus receive the full range of additional benefits, these being at the discretion of the employing organization and largely determined by the location of the assignment (e.g., hardship versus non-hardship location), among other factors [72]. Localisation is the more extreme approach in which expatriates are paid according to the salary levels, structure, and administration guidelines of the host location but with no additional benefits or allowances [73]. In practical terms, it means that ties back to their home country are severed and the expatriate becomes a 'local' in the host country, with compensation comparable with that offered to HCNs. Whereas AEs are usually reluctant to accept a local salary arrangement given their strong ties to the home country, SIEs tend to expect it as they have already given up their home country ties and relocated abroad of their own volition. SIEs are thus a cheaper alternative to AEs and can help to reduce the costs of expatriation.

5 Conclusion

We set out in this chapter to explain the process of managing expatriates, and outlined three major challenges facing the MNE in doing so. We have shown that the process of managing expatriates is often problematic and that the various steps—recruitment and selection, preparation, pay and rewards, adjustment, and return—are hit and miss in terms of their effectiveness. We then discussed the performance assessment of expatriates explaining that, despite how expensive they are to employ and their importance to organizations, MNEs still remain unsure about measuring and monitoring their expatriate return on investment. We concluded with a detailed overview of the options to reduce the costs of expatriation including reducing compensation, finding alternatives to assigned expatriates, avoiding family relocation, and hiring expatriates locally. These approaches stimulate MNEs to think about less typical ways of utilizing employees internationally as they strive for more cost-effective mobility options. Problems aside, of which we have shown there to be many, expatriation nonetheless remains one of the most powerful employee developmental tools available to MNEs, while representing for employees an effective career and leadership enhancement experience. While the management of expatriates clearly needs to be improved, there is no doubt that expatriation is here to stay.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

1. For business and management scholars, everyone who lives outside their home country is an expatriate.

2. Students are not expatriates but they can become expatriates.
3. All expatriates receive very generous salary packages.
4. Language skills is a key criterion for most firms when selecting expatriates.
5. Technical capability (how well the individual has done the job prior to potential expatriation) is usually a key criterion in the selection of expatriates.
6. Key dimensions of expatriate adjustment are the expatriate's knowledge, feelings and behaviour.
7. Most MNEs have effective systems for determining the value gained from expatriation.
8. Assignments tend to benefit either the sending corporation or the individual expatriate, but not both.
9. Most returning expatriates have a hard time adjusting to being back and wish they had never gone abroad.
10. Most companies know they could do better at managing their internationally mobile workforce.
11. International business travellers are expatriates.
12. Hiring expatriates locally increases the costs of expatriation.
13. A company usually sends an expatriate to do menial work.
14. There is a direct, but not well-understood, link between expatriation and talent management.
15. The research on expatriate preparation is in agreement that preparation rarely works.
16. Expatriates don't have time for much preparation, and the internet and informal advice gives them most of what they feel they need.
17. The most common definition of expatriate ROI, historically among practitioners, has been 'achievement of the assignment objectives at the expected cost'.
18. Short-term assignees usually leave their families at home which significantly reduces the costs of expatriation.
19. Research suggests that more than half of expatriates leave their company and look for a job with other firms.
20. Corporate ROI is defined as the benefits from expatriation that accrue to organizations.

Review Questions (Multiple Choice)

1. _____ involves paying expatriates according to the salary levels, structure, and administration guidelines of the host location, as well as being provided, in recognition of their foreign status, with special benefits such as transportation, housing, and the costs of dependents' education.
 - (a) localisation

- (b) local plus
 - (c) the balance sheet
 - (d) market rate
2. Short-term assignments are especially valuable in organizations _____.
- (a) that conduct project-based work
 - (b) that are smaller in size
 - (c) with overseas operations in many locations
 - (d) with subsidiaries in China
3. One way to reduce the costs of expatriation is to _____ the period of time the expatriate spends outside the home country which, in most cases, automatically negates the need to relocate their family.
- (a) increase
 - (b) extend
 - (c) delay
 - (d) shorten
4. _____ are people working in a country other than their own declared home country, sometimes on generous terms and conditions of employment, for a limited period of time.
- (a) business expatriates
 - (b) migrants
 - (c) retirees
 - (d) refugees
5. Organizations use business expatriates _____.
- (a) because they have skills otherwise lacking in that location
 - (b) to enhance co-ordination and control across national borders
 - (c) because expatriation is a superb career development experience
 - (d) all of the above
6. Unlike AEs, _____ tend to be uninhibited by organizational and occupational constraints, and are motivated to take charge of their careers rather than to wait for their organization to arrange for an appropriate career opportunity involving international work experience.
- (a) organisation assigned expatriates
 - (b) self-initiated expatriates
 - (c) inpatriates
 - (d) international business travelers

7. As a general rule, if an expatriate is sent to a 'tough' location, they will receive which one of the following:
- (a) a higher salary premium and/or financial bonus
 - (b) a new car
 - (c) better quality housing
 - (d) a localized package
8. International assignments lasting less than one year are typically categorized as _____.
- (a) rotators
 - (b) commuters
 - (c) short-term
 - (d) long-term
9. A foreign student who stays on in a foreign country to work after they have graduated, even though they intend in the future to go home, is which one of the following:
- (a) inpatriate
 - (b) self-initiated expatriate
 - (c) penniless
 - (d) short-term assignee
10. Migrants and self-initiated expatriates differ in that migrants intend to stay _____ in the foreign location.
- (a) temporarily
 - (b) for a short while only
 - (c) permanently
 - (d) overnight
11. Offering expatriates a compensation package that is a little less than the market rate is an example of which one of the following:
- (a) reducing costs
 - (b) breaking even
 - (c) increasing costs
 - (d) full package
12. When an international assignment is completed, the process of returning home is called:
- (a) expatriation
 - (b) closure
 - (c) repatriation
 - (d) inpatriation
13. Much of the cost associated with expatriation lies in the:

- (a) compensation offered to expatriates
 - (b) relocation of expatriate families
 - (c) repatriation of expatriates
 - (d) administration of the actual international assignment
14. Inpatriates typically undergo shorter assignments of up to 18-months duration and:
- (a) pay their own way.
 - (b) get promoted when they return home.
 - (c) get an automatic salary increase.
 - (d) do not relocate with their families.
15. Business expatriates frequently accrue _____ benefits from expatriation than do their employing organizations.
- (a) fewer
 - (b) greater
 - (c) less
 - (d) about the same
16. McNulty and De Cieri [13] found that career development is a major factor in expatriate turnover where the development and acquisition of _____ can cause major attrition problems for MNEs when expatriates leave to take up positions with competitor organisations.
- (a) knowledge
 - (b) social capital
 - (c) portability
 - (d) external marketability to other employers
17. _____ is the energy, values, skills and networks built up over an individual's working life enabling them to acquire competencies that can be used within, as well as across, companies.
- (a) intellectual capital
 - (b) career capital
 - (c) relational capital
 - (d) paid up capital
18. Most MNEs do not make cross-cultural training and other aspects of preparation compulsory, resulting in which one of the following:
- (a) a decline in take up
 - (b) complaints
 - (c) an increase in take up
 - (d) a higher expatriate failure rate

19. The balance-sheet or full-package approach to compensation involves a generous remuneration package with bonuses, allowances and benefits such as:
- (a) tax equalization
 - (b) COLA
 - (c) housing and education
 - (d) all of the above
20. The perceived benefits that accrue to employees arising from the international assignment is which one of the following:
- (a) career capital
 - (b) individual ROI (iROI)
 - (c) career enhancement
 - (d) corporate ROI (cROI)
21. McNulty and Inkson [44] found that expatriates are used for:
- (a) corporate culture reasons (such as an old boys' network, or continuing to use expatriates because they have always been used)
 - (b) functional requirements in terms of project-based mobility where a client requires consulting staff on-site
 - (c) financial reasons including for bottom-line driven objectives or the cost advantages associated with using expatriates from a certain location (e.g. India)
 - (d) all of the above
22. The 'coffee machine' system of selection is where managers _____ discuss vacancies around the coffee machine, identify one of the people they know who might do well and, after a few formalities, that person is selected.
- (a) informally
 - (b) professionally
 - (c) jokingly
 - (d) formally
23. Repatriates face which three problems when they return home:
- (a) at work, at home, and at the sports club
 - (b) socially, financially, and health-wise
 - (c) financially, socially, and at work
 - (d) financially, spiritually, and mentally
24. Adjustment is one of the most studied elements of expatriation; much of the research:
- (a) has produced the same findings
 - (b) has been conducted rigorously
 - (c) has been published by only one set of researchers
 - (d) has been blighted by poorly thought out measures

25. Depending on countries and organizations, up to _____ of expatriates deployed by organizations are female.
- (a) 50%
 - (b) 20%
 - (c) 5%
 - (d) 25%
26. Organisational assigned expatriation is for people whose careers typically unfold:
- (a) within one organization
 - (b) within more than one organization
 - (c) in two or more organizations
 - (d) in at least three organizations
27. The crucial part of the definition of AEs is that:
- (a) they are highly paid.
 - (b) they go abroad exclusively for career development.
 - (c) they go abroad looking for work themselves.
 - (d) their employer sends them.

Answers

Review questions (True or False): ANSWERS

1. For business and management scholars, everyone who lives outside their home country is an expatriate. **FALSE**
2. Students are not expatriates but they can become expatriates. **TRUE**
3. All expatriates receive very generous salary packages. **FALSE**
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5. Technical capability (how well the individual has done the job prior to potential expatriation) is usually a key criterion in the selection of expatriates. **TRUE**
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Global Talent Management

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Abstract Talent management (TM) is now firmly pursued by organisations globally as a strategic imperative. Although the present talent shortage is a global challenge, it is more critical in emerging economies, particularly in sub-Saharan Africa. The enormous challenges associated with the attraction, development and retention of talent by firms operating in sub-Saharan Africa (SSA) call for the adoption of robust talent management (TM) strategy to navigate these challenges. However, the extant literature on talent management has failed to examine in detail the talent management practices of organisations in Africa to feed into the stock of global knowledge on talent management. This chapter therefore provides empirical evidence on talent management with a contextual focus on Multinational Enterprises (MNEs) in a sub-Saharan African country.

1 Introduction

The increasing internationalisation of trade and business activities facilitated by globalisation has brought about opportunities, challenges as well as competitive pressures for firms to innovate and improve their competitive standing. Of course, these challenges and competitive pressures are due to the increasing number of companies operating in the global business scene, whose survival depends on performing better and more effectively than their competitors. Effective talent management (TM) is essential for firms to overcome challenges and to achieve a competitive advantage. Thus, an increasing body of scholarly work on TM underscores the view that only highly skilled and knowledgeable human resources can create and sustain a competitive advantage for firms [1]. Although all organisations have come to realise this fact, it is becoming increasingly difficult for

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Multinational Enterprises (MNEs) to find employees with the requisite talent to manage their numerous overseas subsidiary operations. Organisations are thus faced with a demand for talent that far exceeds the supply. As a result, organisations are now taking additional measures to attract, develop and retain the highly skilled workforce they require to strategically adapt and achieve a sustained competitive advantage [2].

As organisations intensify their efforts to secure a highly qualified workforce, the need to understand their global TM strategies and outcomes have also increased in importance. Although there is a growing body of knowledge on TM in the literature, there is some ambiguity as to how organisations manage their talent to gain and sustain a competitive advantage [3]. This is the case with all types of organisations including those in the private and public sector [4]. In this chapter, we seek to explore the global talent management practices of MNEs at the subsidiary level with a special reference to sub-Saharan Africa. Thus, the focus is on the attraction, development, evaluation and retention of talent in MNEs in sub-Saharan Africa. We believe that such an approach would illuminate our understanding of the problems, challenges and opportunities for talent management in sub-Saharan Africa (SSA). In fact, TM research is of great importance in the countries of sub-Saharan Africa due to the high demand for a highly skilled workforce and a shortage of talent. This is in line with Tatoglu, Glaister and Demirbag's [5] call for scholars to investigate further the contextual nature of TM practices in emerging economies. This, in turn, is rooted in the view that talent management practices are pursued and adopted by firms and are society-influenced and determined. Hence, in discussing TM, we draw on examples from Nigeria.

The rest of the chapter is organised as follows: the next section reviews the general literature on global TM with a specific focus on how it applies in the private sector. This is followed by a discussion of global talent management (GTM), practices, strategies and outcomes of MNEs in the Nigerian oil and gas industry. The penultimate section delves into the relevant skills' gap in organisations in sub-Saharan Africa and the need for talent development is analysed with pointers on how future research can help address the issues raised. The chapter concludes with some review questions.

2 Global Talent Management (GTM)

Developing human resource competencies fit for the global market is the desire of many professionals and many organisations including MNEs who are equipping their employees with global skills. According to Sparrow, Hird and Cooper [6], this orientation has emerged from the human resource planning initiative which sprang up in the 80s and early 1990s and provided the 'intellectual' root of TM. This movement brought to the fore the need for HR forecasting, succession planning, the management of employees' needs as well as the development of employees' capabilities [7]. Thus, the concept of TM emerged around the late 1990s [8], with debates

focusing on how organisations can attract, develop, manage and sustain a highly skilled and knowledgeable set of individuals [7]. In the view of Collings [9], TM is the development and management of high performing and high potential incumbents in critical organisational roles. TM activities are designed to create talent pools that feed particular job categories and focus on developing the individual competencies and behaviours that make such jobs and employees successful [10]. Here, the focus is more on developing a holistic, enterprise-wide/ organisation-wide talent mindset. Obviously, it is this enterprise-wide/organisation-wide talent mindset that mainly distinguishes TM from the traditional human resource development role.

At another level, it is asserted that economic globalisation has precipitated the emergence of GTM [7]. GTM focuses on the organisational strategies, policies and practices designed to attract, select, develop and retain highly skilled and knowledgeable employees to fill important roles in the organisation's global operations [11]. Thus, the first stage is to identify those pivotal roles that create added-value for the organisation and provide the focus for GTM which then makes plans to identify, select, retain and develop the abilities of the employees who will fill the roles [7].

It is well known that MNEs struggle to identify and hire the right people with the right skills to work in their organisations [12]. The chapter now turns to consider the literature relating to the various global talent management practices adopted by the MNEs in their quest to attract, develop and retain a highly skilled workforce in the long-term.

3 Global Talent Management Practices

The need for greater employee performance is creating a considerable interest in the use of different talent management practices among MNEs. In order to accomplish this task, MNEs adopt a range of global talent management practices pertaining to talent attraction, training and development, performance appraisal and retention. Obviously, only employers with high quality and effective TM practices will grab and retain a fair share of talent. We discuss these talent management practices in detail below:

3.1 Attraction

Talent attraction involves recruiting and selecting a highly skilled and knowledgeable workforce. Tarique and Schuler [14] observed that talent attraction can be discussed under three main headings: talent planning, employer branding/human resource reputation and talent sourcing.

Talent planning: Talent planning or human resource planning precedes every hiring activity and helps to identify the global future talented needs of MNEs.

Talent planning is very important at all levels of the organisation [14 15] and to be successful the aims and objectives of the company will need to be clearly defined and a deep knowledge of the market sourced [16]. It involves a detailed HR need forecast, HR demand forecast and an action programme of development [16]. Initially, a combination of both quantitative and qualitative methods of investigation (i.e. job analysis, HR audit, etc.) is used to create a snapshot of the existing workforce at various levels, i.e. qualification, skills and length of experience [16, 17]. A forecast of future skills need in the organisation is later carried out in order to identify any skills' mismatch [17]. This is followed by a talent sourcing programme designed to correct any skills' gap identified. Analysis and programme design depends on the use of existing human resource data (i.e. attrition and retirement rate of current employees) as well as the company's overall business strategy [14]. The goal is to have employees with company specific competencies at the right place at the right time with the needed motivation at all levels and locations of the MNEs [18]. However, some challenges have been identified with talent planning or HR planning. There may be a lack of reliable data to carry out an analysis of the existing skills' level of the current workforce. Besides, available data can also be manipulated for political reasons [17].

Employer branding: Employer branding describes every effort made by employers/MNEs to communicate to both prospective and existing employees that their organisation is a desirable place to work in, thus, creating a compelling and distinctive employee value proposition [10]. Employer branding influences the impression applicants have regarding a MNEs's image as an employer. This perception or impression could be negative, neutral or positive. According to Jiang and Iles [10], MNEs should therefore view employer branding as a marketing function and treat potential applicants as customers. Accordingly, MNEs analyse the strategies of rival companies and develop and communicate an employee value proposition which portrays the company as an employer of choice to specific applicants [19]. MNEs effectively brand themselves as employers of choice in order to compete for scarce talent by increasing start-up wages/incentives, designing/providing jobs that are more engaging and flexible, providing training and career development opportunities, treating employees with respect, providing good work-life balance, providing performance pay and being more socially responsible, etc. [20–22]. Career growth, challenging work, performance and a value-driven organisation are some of the attributes which talent view as important when looking for the ideal employer [23]. Indeed, job candidates are more attracted to firms with benefits that align with their inherent needs and preferences [24]. The reason is that an individual's motivation is shaped by needs and people are attracted to a source that could fulfil their needs [25].

Talent sourcing involves the recruitment and acquisition of a highly skilled and knowledgeable workforce who can create added-value for MNEs and their subsidiary operations. The challenge for MNEs is how to reach this set of highly skilled and knowledgeable people who are mostly in employment. In addition, MNEs are faced with the challenge of countering the threat of talent being more attracted to domestic firms rather than MNEs [26]. Thus, MNEs adopt diverse creative

strategies to target different talent groups from the external labour market and they include: university career fairs (specifically for hunting foreign nationals who can be deployed to work in their home country), targeting a specific individual profile on social network, i.e. LinkedIn, Myspace etc., and attracting a section of the society not fully represented in employment and providing the support they need to manage career barriers, i.e. female workers [27, 28]. MNEs also target talent through consultant groups, informal network ties, i.e. retired employee groups, referral by existing employees and professional bodies. However, fair employment agencies, i.e. the British Equality and Human Rights Commission (BEHRC), frown at informal recruitment as this may lead to the perpetuation of one dominant group in the workforce [29].

After targeting highly skilled and knowledgeable job applicants through the various approaches above, MNEs adopt different external talent selection strategies to identify the most qualified. These strategies include: analysis of application, psychological test, assessment centres and interviews with managers [29]. According to best definition of talent, it is the exceptional and unique psychological qualities that constitute talent [30]. It therefore would seem that psychological tests (personality, competence and aptitude tests) would be very helpful in identifying a candidate as 'talent'. In global talent management practices, identifying talent for future positions should be based on assessment of personal skills such as the ability to learn communication skills, flexibility, adaptability and entrepreneurship skills [30]. It is important to note, however, that the skills MNEs assess job candidates for during selection may differ from one organisation/industry to the other.

In addition, MNEs may also fill their vacant positions internally by hiring from their existing pool of employees. Talent selection strategies in this regard could include: goal achievement assessments and work performance assessment [30]. Overall, MNEs need to tread with caution in their selection process in order not to discriminate against certain groups of people, i.e. ethnic minorities, women and people with less ability in the society [29]. Of course, employment laws in many societies deter organisations from discriminating against any group or section of the society [31], as this may lead to an adverse impact - the selection of more majority persons than minority persons [29]. Thus, MNEs will need to identify and adopt selection methods that do not create any form of adverse impact.

With the advent of advanced technology, talent identification, recruitment, application process, sifting through applications and the selection process can be carried out electronically over the Internet [29]. Obviously, conducting the employment process through electronic means make the entire process far quicker and less cumbersome.

4 Training and Development

After hiring a job applicant or putting a candidate in a talent pool, the next stage is ‘polishing the rough diamonds’ through various training and development schemes [30]. Talent development can be defined in a variety of ways but according to [32]:

Talent development focuses on planning, selection, and implementation of development strategies for the entire talent pool to ensure that the organisation has both the current and future supply of talent to meet strategic objectives and that development activities are aligned with organisational talent management processes.

This involves providing training for the different talent groups, i.e. a management talent group, a technical talent group and other professional talent groups, in order to meet their current and future skills’ need in the various international operations of MNEs. The talent development process comprises of four broad areas: identifying the need to train and who to train; design (i.e. what training programmes can develop what competencies); evaluation (i.e. what tool can be used in measuring training effectiveness); and organisational support for training. Although this process may vary from one MNE to another; training has to be aligned with the goals of the organisation [33, 34]. Existing research suggests that large MNEs with standardised services/products, global HR policy and operate in the low technology/low cost sectors are more likely to use talent development for their high potential employees [35]. In addition, talent development is also important for MNEs with a good human resource reputation as well as MNEs seeking to develop local talent [36, 37].

MNEs (as well as domestic firms) develop a range of competencies, i.e. technical, behavioural and cross-cultural skills through their various talent development programmes, depending on the skills’ need of the company [38]. They adopt a range of developmental experiences and practices such as global assignments, participation in global teams, cross-cultural training, short courses/programmes and coaching/mentoring in developing these competencies among their employees. In most MNEs, training programmes are personalised to meet the individual training and development needs of the employees. Training could be conducted on- and/or off-the-job by managers internally and/or externally by various external bodies, i.e. a consultant group. The decision to conduct on-the-job training and/or off-the-job training depends on the types of skills to be developed, whether the company has the resources (in terms of managerial skills, transmission abilities and facilities) to offer training internally and whether the employees have the time to go for external of-the-job training.

Many MNEs also have global leadership development programmes for developing a pool of future leadership/management talent. The primary goal of these global leadership development programmes is to stretch the minds of employees with leadership potentials beyond narrow domestic borders. Approaches for developing global leaders in MNEs include altering existing traditional training approaches such as executive coaching, 360-degree feedback, job assignment, action learning, outdoor experiences, mentoring and networking, etc. [39]. Of

course, an important challenge is whether MNEs can modify their traditional training approaches appropriately to address the leadership development goals. Adapting what used to be general training methods requires a change of strategy; for instance, mentoring is more effective if a less experienced manager is being guided by someone with sufficient international work experience. In the same vein, action learning programmes will be more effective if employees from different countries, i.e.. global teams, are grouped together and tasked with the responsibility to analyse global operations of the company. Other global leadership training and development strategies used by MNEs include participation in corporate projects, participation in international projects, job rotation, international assignments and internships abroad [30].

However, it is important to note that context plays an important role in determining the design, nature and extent of effective training [14]. In Germany, for instance, firms invest heavily in the training and development of employees. These firms work together in unison and agree not to free-ride [40]. Moreover, MNEs are expected to pay great attention to contextual issues in the design and implementation of their training and development programmes in their different subsidiary locations.

5 Performance Evaluation

To ensure that talent management achieves its goals, MNEs need to evaluate talent performance outcomes to allow corrections to be made in the advent of poor performance outcomes resulting from an ineffective talent management process. MNEs evaluate their talented employees' performance outcomes on a periodic (i.e. annually, bi-annually and quarterly) basis to ascertain their contributions towards organisational success as well as to verify their development/progression potential for their next career level [41]. Performance is usually measured against measurable performance dimensions [42] identified by functional heads or collaboratively between managers and employees [43].

Talent performance is usually evaluated by the line manager. Performance can also be evaluated by colleagues, employee self-appraisal or a consultant group [16]. In recent times, however, most MNEs now adopt the 360-degree option where all stakeholders (colleagues, customers, line managers and senior managers) having a work relationship with the employee being appraised are involved in the appraisal process. The approaches used when evaluating talent performance could be quantitative, i.e. using a behavioural anchored rating scale, critical accident technique, graphic rating scale, etc.; or qualitative, i.e. using assessment tests/exercise and/or observing highly skilled employees on-the-job, in nature [31, 44]. Whilst no one approach is best, employees and their managers should design a workable system and create a good sense of ownership [45]. Indeed, collaborative goal setting provides specific and measurable goals for all parties involved in the appraisal process [43].

The outcomes of talent performance appraisal often translate into employee promotion, transfer, career planning and development and changes in remuneration, in most MNEs [30, 46]. Of course, high performers advance to their next career level, whilst under-performers might be encouraged to leave [47] after undertaking a couple of training sessions without improvement in subsequent appraisals. MNEs are, however, guided by institutional regulations when taking decisions on whether to lay-off employees using performance evaluation outcomes as this may not be acceptable in some countries. Arguably, although performance appraisal is becoming pervasive worldwide, cultural and institutional influences impact on how they are designed and implemented in different parts of the world [48]. However, the ‘up-or-out’ career advancement model identifies and retains the highest performing employees for MNEs [41] when used correctly.

Although, talent performance appraisal is increasingly gaining popularity across MNEs [49], an important challenge related to performance appraisal is that of a rating bias. A rating bias can be in the form of leniency, i.e. a tendency to overrate performance or a halo-effect which reflects exaggerated correlations among ratings based on disparate criteria [41]. Regardless of the rating biases, performance appraisal should be included in talent management practices because it provides information on employee and organisational performance. Moreover, performance evaluation addresses a broad differentiation of performance and talent among employees [41]. To address any performance appraisal bias, many MNEs provide pre-appraisal training for managers and their subordinates. Pre-appraisal training provides both parties with the relevant information on what is expected in the appraisal process [16].

6 Retention

Once the talent has been hired and their ‘rough edges’ have been smoothed through various talent development initiatives, MNEs strive to retain them in the long-term. This is particularly the case if an employee is seen to be presently performing in her/his present role or having the potential to create added-value for the company in future. Obviously, it is very difficult to locate and nurture talent, but quite easy to lose them [50], thus, talent retention activities involve various policies and practices MNEs put in place/undertake to prevent talented employees from leaving voluntarily [14]. MNEs undertake this task in order to reduce the challenge of losing their highly skilled and knowledgeable employees and their human capital to rival organisations [14]. The existing scholarship on talent management suggests that effective retention strategies in MNEs include talent engagement, career development and a talent management culture [14].

Talent engagement may not have a generally accepted definition but is often defined as emotional and intellectual commitment to the organisation or the amount of discretionary efforts exhibited by employees on-the-job [51]. The existing talent management literature suggests that talented employees who are engaged with their

organisation and work are more likely to be satisfied, have a positive opinion about their employer/organisation, display more loyalty to customers, display better work performance and are less likely to leave the company voluntarily [14]. According to an ISR [52] report, three global factors are important for managing engagement and they include: career development, leadership and empowerment. MNEs with high levels of engagement provide talented employees with opportunities to develop their human capital in order to realise their potential [52]. The logic here is that talent is more likely to invest in their jobs/organisations when their organisation is first to invest in their career. Existing studies also suggest that promotion to a leadership position also helps to engage employees [52]. The thinking is that leadership positions attract higher pay, autonomy, authority and access to information, growth opportunities and resources, etc. which employees value [51]. In addition, getting talented employees involved in the decision-making process also helps to keep them engaged. Obviously, managers of highly-engaged organisations do not create blame or fear cultures [51]. Consequently, employees express their ideas as well as views freely.

Career development: Organisations that support their talented employees through career planning as well as design career development programmes to help them achieve their career aspirations are more likely to experience low levels of voluntary employee turnover [14]. Employees with a more detailed understanding of their career path and the assurance that their organisation values their training and career development are more connected to their jobs and the organisation where they work. Thus, training as well as opportunities for career growth are important retention strategies in MNEs.

Talent management culture: In an ever shrinking global talent pool, organisations adopt talent management to retain their talent, although, many organisations lose out by not developing and maintaining their talent management correctly [23]. Indeed, most MNEs are ineffective in developing, maintaining and aligning their talent management efforts correctly [15]. A strong talent management strategy serves as an enticement for talent in today's competitive business environment. MNEs with a good record of talent managing all employees, sourcing talent globally as well as rewarding managers for improving talent retention, are more likely to have their employees engaged [53]. Of course, a good talent management culture will suggest to the talented employees that their company values them and this helps to gain their support and commitment to both their job and organisation. Arguably, when MNEs honour their job promises to employees as publicised during job adverts, the employees will be happy to commit themselves to their jobs/organisation as well as remain with the organisation in the long-term.

6.1 Global Talent Management in Africa

In this section, we draw on empirical evidence from a study on Talent Management in MNEs in the Nigerian oil and gas industry to illustrate the challenges in GTM

[54]. The case specifically looks into graduate talent management in three leading MNEs whose business activities cut across refining, marketing and distributing refined petroleum products in Nigeria and beyond [54].

The MNEs have graduate programmes in place for the management of their new management graduate hires; making the companies interesting sites to explore and understand the challenges linked with GTM. Overall, the companies have between one hundred and fifty to five hundred workers across various functions on their payroll. These employees comprise of mostly locals and a few expatriate workers because of the workforce localisation policy in operation in Nigeria which expects oil and gas MNEs to employ 75% of Nigerians in managerial and other professional roles after ten years of being granted the licence to operate in the industry.

Two of the three MNEs are international oil and gas companies operating in Nigeria with headquarters in France and the United States, the third MNE is a national oil and gas company with subsidiary operations in Ghana and Togo. The case adopts a double source of informants-human resource managers/senior manager/line managers in charge of managing the talent and the management talent themselves; to create a more detailed understanding of GTM in the Nigerian oil and gas industry context. The sources of evidence/data include interviews with managers, management talent survey and published reports on the case study's companies. In this chapter, we refer to the case study companies as the case study firms/MNEs to conceal their identity and protect their privacy.

The study sought to explain how the three oil and gas MNEs in Nigeria attract, develop and retain their stocks of new management graduate employees for the wider development of talent and management in the companies. Below we provide the pertinent parts of the study to enhance our understanding of GTM practices and challenges.

The study revealed that both the management and the employees had divergent views on the purpose of the GTM initiative. From the management's perspective, TM was seen as a means of identifying, developing and retaining talent for the purpose of meeting organisational goals, whilst, individual employees saw it more from an altruistic perspective as a means of career development/career progression and salary increments. However, the finding of the study seems to suggest that TM in this context benefited the organisations, the talented employees as well as the host communities where the organisations operate. It was mentioned over and over again that undoubtedly the organisations suffer a loss when trained highly skilled employees leave and take their company specific human capital to rival firms.

In line with the definition of GTM by Collings [9], TM programmes in the oil and gas MNEs in Nigeria are aimed at managing all the management talent recruited into the management development programme implying long-term careers in the various departments which cuts across the organisation such as marketing, HR, finance, legal services, operations and logistics. Thus, graduate employees who are not recruited into the management development programme (for instance, contract workers) were often not considered for the company TM programme. As such, they were also not entitled to the same benefits, i.e. competitive pay, career

promotion opportunities, etc. enjoyed by those on the companies' talent management programmes.

Generally, the three case study MNEs employ about 20 employees once in two years. Hiring in the case study companies is developed in a systematic way to ensure that those employed secure the required opportunities for a long-term career. Thus, the companies often ensure that they hire graduates when there are job openings that will lead into a long-term career with the companies.

In terms of how the case study companies sourced for talent, recruitment strategies in the oil and gas MNEs used various strategies including walks-in, advert on the companies' online portal, newspaper advertisements and through headhunters. In view of the lack of penetration of the Internet in Nigeria, the MNEs relied on newspaper advertisements to reach a wider pool. In parallel, the companies used headhunters when the firm anticipates that its human resource staff would be overwhelmed with applications and hence throwing up huge challenges in shortlisting and interviewing. In the industry, it is not uncommon for the job applicants to undergo three different assessment levels before employment. As a first step, qualified shortlisted graduate applicants are invited to take an aptitude test with the companies. The successful applicants are invited to an assessment centre for further assessment. Those selected after the assessment centre screening are further invited for an in-house interview with HR and senior managers. In all levels of assessments, the companies assess applicants for attitude and the soft skills required to perform well. Finally, successful interviewees are offered employment with the companies.

Generally, the case study MNEs in the oil and gas industry do not encounter challenges in attracting management talent in Nigeria. This is because the companies have successfully branded themselves as employers of choice through their competitive wages, performance—related pay, career development opportunities, retirement benefits and training and development programmes for highly talented employees. As a result of these perceived benefits, a large number of Nigerians prefer to seek employment within what they consider as a lucrative industry. Nonetheless, in some cases, the companies promised too much during job advertisements as indicated by some of the graduate employees surveyed. The employees indicated that graduate employee programmes in the companies fall short of their expectations as promised in the companies' job advertisement. In spite of this, there is no shortage of applicants for management development positions in the MNEs.

Nevertheless the managers who participated in the study pointed to the challenges associated with sourcing for some categories of engineering talent such as petroleum engineers, rig engineers, etc. In response, the companies undertake industry-education outreach programmes to address the perceived talent shortage in these areas. In some cases, the companies provide learning support to the universities to teach their undergraduate students in the relevant subject areas or sponsor selected students through university (abroad or locally) to enable them to acquire the relevant skills. In some other cases, the companies provide the opportunities for students to take up an attachment to learn industry relevant skills in the subject areas for a short period of time.

Upon assumption of duty, the case study organisations develop the competencies of their new employees through on- and off-the-job training. In the case study MNEs, training strategies adopted include rotational assignment, in-class courses, online computer-based training and mentoring programmes. Training programmes were usually internal and/or external in all the organisations and training activities were aimed at meeting both the skills' needs of the organisations as well as those of the highly skilled employees. Accordingly, training programmes were designed to help employees develop the managerial capabilities, soft skills and the technical skills required to perform well in the companies.

The case study companies appraise the performance of their highly skilled and knowledgeable employees bi-annually to assess their individual performance as well as their contributions to company goals. According to the managers interviewed, TM impacted the performance of employees' significantly in the case study organisations.

The case study organisations seek to retain their highly talented employees through various retention strategies. In the case study MNEs, the employees are offered competitive pay, individual performance pay, employee retention scheme, training and development opportunities, career development opportunities, housing benefits, transport benefits, complete healthcare insurance for employees and their families and a retirement package. In fact, some of oil and gas MNEs studied had previously been rated among the best place to work in Nigeria because of the many benefits associated with working with them. Thus, the retention rate is high in the companies (above 95%). The few employees who leave/exit the firms in their mid-career often leave to start-up a business for themselves, relocate to other countries, gain employment with a more reputable oil and gas MNE or retire from work. However, some of the employees wanted improvement in the companies' talent management processes, i.e. training and development programmes, even though they wanted to stay with the companies in the long-term because of the excellent career and promotion opportunities. Overall, it was concluded that GTM in the case study MNEs in the oil and gas sector in Nigeria is very successful in view of their talent development efforts as well as staff retention levels [54].

6.2 Practical Implications

At this juncture, it is appropriate to discuss the practical implications of the issues discussed in this chapter. From the preceding discussions, it is clear that practising managers have a number of lessons to learn from the experience of these multi-national companies. It is suggested that to be able to attract and retain suitably qualified talent in the long-term, practising managers must design and implement robust talent management strategies that provide future career promotion opportunities for employees. In consonance with existing studies, career promotion opportunities help to engage employees [52]. The idea is that promotion to

leadership positions attracts higher pay, autonomy, authority and access to information, growth opportunities and resources, etc. which employees value [51].

In spite of a successful talent management practice in the case study MNEs, the dearth of talent within the industry's relevant skills still persists as identified by Osabutey et al. [1]. In line with the present talent shortage in the SSA context and the associated TM challenges faced by organisations operating in this environment, a vibrant global talent management initiative is required by MNEs as well as government agencies/institutions to address the problem. Indeed, only a vibrant talent management initiative by all firms operating both in the public and private sector in Africa can help reduce the present talent deficit. Of course, anything short of an effective talent management strategy will mean that the present talent shortage and the competition for talent among firms in the sub-Saharan Africa context will persist. According to Ibeh and Debrah [28], one way of tackling this shortage is for MNEs and other private sector firms to tap into the under-utilised pool of female talent. We add that all firms should henceforth engage in industry-education outreach programmes to help address the pressing talent shortage in countries in sub-Saharan Africa. This is something that some MNEs in the oil and gas industry in Nigeria are already doing very well. For example, Shell Petroleum and Chevron Nigeria Plc offer scholarships to several young Nigerians to study at a Master's degree level abroad. We call on the other firms as well as public sector organisations/institutions to take up the same challenge in trying to address the present talent shortage problem in sub-Saharan African.

7 Conclusion

This chapter has discussed talent management activities and outcomes from a global perspective but with a special focus on sub-Saharan Africa. The extant literature acknowledges the need for more contextual studies on talent management initiatives and practices. This chapter provides insight into how organisations manage their talent in the context of sub-Saharan African. The study specifically provides insights into GTM in MNEs operating in the sub-Saharan African country of Nigeria, an area that is well under-researched in the literature on GTM. The findings suggest that whilst TM is very successful in the MNEs, talent shortage in sub-Saharan Africa still persists. To reverse this trend, it is suggested that organisations/firms operating within the SSA context must endeavour to design and implement vibrant TM programmes to address the recruitment, selection, development and retention challenges associated with the present talent shortage in Africa.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

- (1) With reference to Vaiman, Scullion and Collings' (2012) work, GTM focuses on the organisational strategies, policies and practices that are designed to attract, select, develop and retain highly skilled and knowledgeable employees to fill important roles in the organisation's global operations
- (2) Talent attraction involves workforce planning, employer branding and talent sourcing activities carried out by organisations to employ the highly skilled and knowledgeable employees required to create added-value
- (3) On-the-job and off-the-job training programmes are vital for employees to acquire the relevant competencies required to perform well in MNEs
- (4) TM is practised in only MNEs
- (5) The long-term talent retention strategies adopted by MNEs include the development of a talent management culture, career development opportunities, employee engagement and abuse and exploitation of employees

Answers

1. True (please see the section on global talent management)
2. True (please see the section on talent attraction)
3. True (please see the section on training and development)
4. False (please see the section on performance appraisal)
5. False (please see the section of employee retention)

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Theoretical Models of Human Resource Management: The Anthropological Model as a Full Model to Manage Human Resources

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Abstract The literature on human resource management (HRM) has focused primarily on analyzing the relationship between human resource practices and business performance. However, we find fewer studies that focus on determining how and why these practices can be linked to the same pattern or pattern of behaviors. In this work, we analyze the different models of human resources management that determine the framework of action of any organization and that justifies the application of different human resources practices. To achieve this goal, we analyze the soft and hard models of human resources management and present the main limitations it has. Furthermore, we establish a typology of models focused on the motivational quality of the person, where the anthropological model is presented as a more complete model than the mechanistic model and the psycho-sociological model. The fundamental difference found between these two classifications is that while the soft and hard models are presented as excluding models, the relationship between the mechanistic, psycho-sociological and anthropological models is that the different elements of each model are included in the next model, establishing a more similar representation with the business reality and increasing its explanatory capacity.

1 Introduction

For decades, attempts have been made to demonstrate the contribution that the human resources function plays on business objectives [22]. In recent years, a large and sufficient amount of empirical evidence regarding the relationship between certain practices in human resources and the organizational performance of a business has formed (i.e. [3, 4, 23, 27]).

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Regardless of such advances, the idea of the “black box” continues to exist when establishing the relationship between human resource practices and the results they may lead to. Ferris et al. [9] noted a scarcity in both investigations into this issue as well as explanations of how a human resources system influences such results in a company [1, 5–8].

Where a coincidence between researchers and directives exists is upon the agreement that members of organizations constitute the primary ingredient for success in any establishment. A company without a well-coordinated team of people is incapable of excellent results. Due to this reason, the individuals who constitute an organization must coordinate their efforts in order to obtain results that interest all members of the company. The idea that we expose in this work is that that interest may be due to differing motives, such that the behaviors and ways in which employees conduct themselves may also diverge.

We must be aware that differing human resource configurations are appropriate for organizations with different identities and in such a situation, carrying out certain human resources practices catalyzes employees that are more motivated, committed and productive. All of the aforementioned issues promote more effective companies when carried out properly [18].

The role played by motivational factor is of vital importance. Therefore, when we discuss strategies to improve the human capital of an organization, we must incorporate different psychological factors to have a complete view of how the behavior of individuals impacts business results.

In this work, we intend to analyze certain models that allow us to better understand the internal functioning of organizations and how to identify their management of human resources.

2 Traditional Human Resource Management Models

Overall, company managers rarely explicitly state the models used when making decisions and managing their companies, thus such a task is essentially forged into the hands of academia. Therefore, managers are limited creating decisions on the basis of the previously incorporated model, such that the model is often dependent on their concept of the company and the value assigned to the human being. It is important to note that, conditioned by the very human quality of the individuals themselves, is the performance of their mission. Ergo, it is crucial to establish guidelines so that, depending on the decisions they make, the academics can infer what the implanted model would be and indirectly establish the motives and values of the manager himself.

These models do not represent the reality of the companies in question, however, they are simplified images of the aforementioned reality. However, these models agglutinate the foundation of the diverse theories regarding the management of personnel that have been formulated throughout history. We are aware that, upon

simplifying, we often neglect certain aspects that are present in reality, yet on the contrary, we can explore relevant details further in depth.

Technically, a model is defined as a set of relationships established between the elements of reality to achieve a further advanced understanding of said reality. Within personnel management, this would result in a framework in which the different activities related to human resources are integrated and thus add value due to the synergies that occur between the elements that integrate the system. Once this framework is established, policies are defined through employee programs that finally influence the choice of concrete human resources practices and thus in the practices that achieve specific desired results [21]. One of the pioneers in examining this relationship between HR practices and certain ratios such as staff turnover, productivity, or financial development was Huselid in [14]. Management models that have traditionally been accepted in the literature include the hard and soft models of HRM [10]. These models are based on opposing views of human nature, a view developed through well-differentiated strategic control systems.

The hard model is based on an exhaustive control, such that the concept of a purely economic man arises, based entirely on McGregor's X theory. However, the soft model is based on control through employee engagement and supported by theory Y. The soft human resources model arises from the human relations movement of Elton Mayo as well as the maximization of human talent. Additionally, it has been compared to the concept of high commitment work systems [26]. These commitment-oriented practices include rigorous selection procedures, internal merit based promotions, cross-trained teams, high levels of training, information sharing, skill-based pay and group-based rewards [2, 11, 14, 15].

In comparison, hard HRM is focused on the most quantitative part of strategic aspects, thus it forms the most rational way of understanding the human factor as a further resource for the organization [16]. This idea focuses on the importance of strategic fit between the firm and the environment [13]. The defining factor in the strategic direction of the company is to maintain the organization's strategy, structure and human resources dimensions aligned amongst themselves (Tichy, Fombrum and Devanna [24].

Although these models are well known from a theoretical point of view, their practical application raises enormous conflicts as well as controversy [25]. The main obstacle discovered by Truss et al. [25] in the typology of models is merely that, in all the organizations of the study carried out, a mixture of both models was found. Ergo, the reason for the lack of evidence that the organizations must adopt a clear philosophy in the management of its human resources is evident.

3 Models Focused on the Motivational Quality of the Individual

The various models should, in theory, not contain elements of each in order for them to become more valid and applicable. Due to this reason, we are prepared to develop another typology, with the aim of overcoming the previous limitations. And for this we will be based on the motivational quality of people, instead of the control system established in the company.

The motivational quality of a person is determined by the sensitivity that that person has to be moved by each type of motive, thus the employee demonstrates with their behavior the quality of their motivations and of their person. The resolution of motivational conflicts is what is shaping motivational quality. The theory of motivation implies a profound change in our way of conceiving human organizations and what the very development of people in the three dimensions of knowledge means: the speculative branch, which allows the person to know the results of their action (want), the operational, which determines the person's ability to perform action (power), and the affective, which determines the person's ability to value the results of the action (duty) [12].

The survey regarding quality of life at work, carried out on 9240 people employed by the Ministry of Labor and Immigration [17], shows that 74.4% of those surveyed stated that they were satisfied or very satisfied with their employment, however, their motives for such answers differed. Overall, the developed activity, its personal development, autonomy, safety and health in employment, etc. are the topics that contribute to the greatest level of satisfaction among the employees. However, factors such as stress, a monotonous routine, risky situations, discrimination and harassment are considered obstacles that cause the most dissatisfaction.

In analyzing our data, we observed that the motives of human beings when carrying out their work vary from person to person. Due to this reason, various authors have formulated different theories to explain the functioning of organizations based on this premise. Pérez López [19] establishes three different models or paradigms whose differences are based on the very conception of the person and on his or her motivational quality. These models are as follows: the mechanistic model, the psycho-sociological (also called the organic or biological model) and finally, the anthropological (known as the institutional or humanist) model.

4 Mechanistic Model: Organization as a Technical System

Most of the existing literature regarding business management is based on the principles of Taylor's scientific management that considers organizations as purely technical systems, thus companies are a mere coordination of human actions with a single purpose, that purpose being to produce and distribute products or services.

Ergo it becomes evident that organizations have a system of operations composed of a set of functions that are defined as much as possible by the formal organization and a system of incentives or rewards that is linked to the functions performed, furthermore productivity is achieved through such methods. Therefore, relationships are established between functions, and not between people, such that the main objective is the maximization of production with the minimum usage of resources.

The mechanistic model seeks to establish business performance, which answers the question with regards to what is done and pursues the achievement of economic results as a result of certain technical processes. This model, when we refer to the technological aspects of the company, is appropriate for some scenarios, yet it is incapable of explaining the performance of the human being in the company, as it only contemplates the execution of the actions [12].

The main problem posed by such a model is the non-formal or spontaneous aspects that arise in any organization, which in turn also have an impact on the results, are disregarded or unconsidered altogether. The needs of the members of the organization, their motivations and other interactions, which are not included in the formal organization, are also neglected. If we wish to identify these types of systems, it is sufficient to identify the objective that will always be oriented towards maximizing the relationship between production and consumption. Also, the concept of man, in accordance with the model, is that which presupposes the economic rationality of the human being [19].

The utility of this model increases alongside the physiological and safety needs of the employees, as the human being fights for his own subsistence, however, when he reaches a certain level, his motivations change and he seeks to satisfy higher needs that are not contemplated in this model, such as self-esteem, self-assessment or personal self-realization.

Individuals work to meet their needs, thus, in this model, employee motivation is posed of what and how much to give a person so that they decide to perform the work that the company demands. Part of the idea is simply that money is the universal motivator, thus the question that should necessarily be studied is reduced an analysis on how much salary is needed the employee to do their job.

In the world of the businesses, it becomes evident that discussing motivation involves talking about money as well as other factors that influence productivity. For this reason, new issues, such as working conditions, attitude of the commanders, recognition of successes, and so on, also emerges. Issues of which this model cannot explain.

Among the limitations of the mechanistic model is that it is a static model, focused on extrinsic motives, ergo its only objective is to maximize performance (we must consider economic performance as a necessary condition to maintain the continuity of the organization, however insufficient to be able to assess the organization as a whole) and focuses on formal organization and the technical system exclusively.

5 Organic or Psycho-sociological Model: Organization as a Social System

This type of model, besides orienting itself to the needs of the organization, also seeks to satisfy current motivations of the people who are a part of it.

The psycho-sociological model seeks the satisfaction of employees through making work tasks and business efficiency attractive, so that it incorporates the social dimension of the human group, therefore also answering the questions of how and with whom things are done [12]. This model tries to captivate people to take interest in an issue, yet since each person has different interests, each one is also offered a different approach to what the organization is. If the workers communicated between themselves, they would take the impression of being in different companies since they have received very different offers and proposals. In cinematographic terms, we would say that the same “tape” has been subjected to different “censors” so, when we see them, we would have the impression of watching different films, with a different ending that seems to fit the preferences of each subject. In reality, we are faced with a “white glove” violence that tries, gently, to establish a relation of dominion over each worker, putting the interest of each one in the service of the interests of a few: the management. This leads to the practice of such a form of proceeding, thus who executes it is in an unsafe position since it can not ensure until when will it be able to maintain this position without being discovered. This model seeks to ensure a behavior towards the company by workers. It is, therefore, more harmful than the previous one in which we were aware, since commencing, that we were not considered as people and instead as appendices of machines. In this sense, corporate culture is misleading.

The psycho-sociological model includes a technical system, since there is a production process that requires its own formal organization and a system of incentives as well as the mechanistic model. However, this model also incorporates the informal organization and considers it as one more element of the organization to be incorporated, thus it attempts to explain the relationship between the formal organization and the informal organization. The model aims to meet the current employee needs of the organization, thus its becomes essential to understand the reasons that lead employees to act and, in this way, achieve better business results.

As can be observed, this model is more complex than the previous model because it not only requires a coordination between the different human actions to achieve a single objective, yet it also analyzes the subjective side of each of the actions carried out by the employees. In simplified terms, the actions may carry greater or lesser attraction to the person who carries them out.

It is crucial to comprehend that the efforts or actions of the individuals in the organization affect their current motivations, thus these are precisely the behaviors that the organization itself seeks to satisfy. In addition to a technical system, it is necessary to analyze the informal organization to adapt the actions to be performed to the business reality itself (organizational or internal fit), as well as an adaptation to the environment (strategic fit).

It is for this reason that the style of leadership ceases to be authoritarian and becomes participatory as well as negotiating. The communication not only transmits information for the accomplishment of tasks but also requires an upward communication to know the current motivations of the members of the organization and thus to be able to take them into account when making decisions.

In the same way, the system of incentives is reinforced with the assignment of its own functions that is considered part of the motivation process.

It is possible for the circumstance, in which the motivations of a manager are dominated by economic reasons, to arise, so that the manager will take up the tendency to lead on the basis that such actions are the only ones that really count on his organization. Therefore, in regards to the previously mentioned information, if an employer happens to discover that among their team, such that there are people with other reasons, they will tend to use them as long as they can do so economically, in a cost-effective fashion. In many situations, the process of negotiation and participation has no other purpose than to psychologically manipulate people by trying to motivate them in the cheapest way possible.

Many of the improvements in working conditions that are implemented in companies have become mere manipulation techniques based on an artificial psychology. The psycho-sociological model considers the company as a social organism in which people participate both to obtain incentives and to meet other needs, so that the incentives offered by the company are no longer the only causes for work. This model includes ideas about the motivation that corresponds to an image of man as a psychological type [19].

Therefore, human action is explained by personal achievement. It is based on the spontaneous or informal level and has a double objective: business efficiency (profit, productivity,...) and the achievement of personal objectives (employee satisfaction). This allows more participatory models of direction for the person to act for internal motivation.

In accordance to this model, the goal is to increase the internal motivation of people to do what they must so that business efficiency also grows. Technically, it is a question of people internalizing the objectives of the organization.

Both the mechanistic model and the psycho-sociological model do not represent an alternative to the primacy of the individual versus the social being. This model places us before a more complete vision of reality, yet it entails the danger of promotion of internal competition to levels that may become excessive, centered only on achieving its own achievements and individual satisfaction [20].

6 Anthropological or Humanistic Model: Organization as a Human System

The model in question is characterized by seeking the coordination of the actions undertaken by the members of the organization to meet real needs. With such a result in mind, it also incorporates and analyzes current needs, as well as a technical system. However, the institution explicitly seeks the satisfaction of current needs yet in such a way that it is not harmful, such that it may even be beneficial to the remaining needs of the people.

The anthropological model, the most complete of its type, is one that relies on people while addressing the questions of why and to what end things are done. The purpose is to achieve the criterion of consistency, that is, the set of human and ethical values that are promoted in the organization through the decisions that are made, as well as the interaction of philosophy and business culture. The purpose is to promote a way of life and, since there are no neutral decisions, the workers will develop an entire process of learning based on their own personal experiences, one that is in turn committed to the business philosophy and to contrast it with the business culture that is practiced: what must be done (philosophy) must be contrasted with what is done (culture) because the ethical principles and human values that are proposed must be present in the human values and attitudes that are practiced and expressed in concrete form of seeing and doing things [12].

Just as the technical system contemplates merely the actions and decisions that are taken or an organism the behaviors that are done and how they are made, in an organization orientated towards this model we also find a response of what is done. What characterizes these organizations is the explicit consideration of values with which it tries to identify the people who work there, perfecting the motives of their actions and educating them in that sense. Here the organization embodies concrete values that must permeate all its activity.

In a technical system, value is measured by the relationship between what is produced and what is consumed, while in the psycho-sociological model, value is determined by the present satisfaction of the individuals that make up the organization. However, in an institution, the ultimate value becomes the degree of future satisfaction of organized people. Therefore, the current satisfaction is necessary yet not sufficient, as it is crucial to reach a minimum level, though it cannot be considered a final goal [19].

An organization that is oriented towards this model will not only provide adequate remuneration and make the work as pleasant as possible, but such a model will encourage, amongst its employees when faced with obstacles and upon making an effort to solve such issues, a perfection derived from practice. Furthermore, it will provide the means that they need to confront their fears and difficulties in order to resolve them correctly.

Presently, we find organizations, mainly large companies, which have ethical codes, including policies of good treatment towards the employee, regulations, external relations that help to shape the institutional values, as well as other

processes. However, we must be aware that, explicit or not, any human organization has values that are determined by the way people are treated, which in turn implies a conception of the person and the way in which it develops and perfects and a concept of the organization's mission. What is of utmost importance is what actions the organization takes and, in this way, which actions will get the approval of its members or alienation. This model explains the identification that people achieve with their companies, the development of loyalty to organizations, relationships of authority and leadership, and so on. This identification with the company obtains a unity among its members that is defined as that spontaneous behavior of the people that is oriented toward the implementation of the achievement of the corporate performance and the creation of value by the company.

When the objectives of the company are illuminated by the principles that underpin the organization, a union between the company's own end and that of the person is established such that it is then when we can consider identification or integration [20].

The specialists in human behavior agree that the most appropriate organizational form is that which reflects the double nature of man and his needs, on the one hand, in order to avoid suffering and to achieve his psychological development. This is the way you have to deal with the responsibility of helping a man to enjoy a decent life.

The motivation that incorporates the previous models involves transcendent motivation, that is, the action that takes place when we look for the consequence that our action has to satisfy the needs of another person. This motivation is important since, for the most part, when companies talk about frustration, it is nothing more than dissatisfaction on the plane of transcendent motives. In other words, morale problems in the team arise. Knowing that what we do is useful and necessary in a way for others is an important motivational element in itself. The spirit of service or selfless cooperation is included in this transcendent motivation.

This model therefore considers the three types of motivation of the individual: extrinsic motivation, which includes any incentive that is attributed to the performance of the action and part of another person other than the one executing the action (e.g., compensation, praise, ...), intrinsic motivation, which pursues the result of the execution of the action for the person who performs it and depends only on the fact of doing it (e.g., the learning that causes, the pleasure that reports it, ...), and finally, transcendent motivation, which, as mentioned above, pursues the results of action in persons other than those who execute them (e.g., effective cure of an illness, knowledge acquired by others, etc.).

In conclusion, we can say that these three models are not to be understood as mutually exclusive, but as that each is integrated into the next. Therefore we have a better image of what happens in the business reality.

7 Final Considerations

The basic differences between the three models are found in the differing conceptions of the person they handle when constructing their theories, thus in each one of them we find a different conception of the motivation of the human being. In the psychological and anthropological model facing the mechanist, people are not only subjects capable of performing a series of physical operations, yet they also include their cognitive processes as something that radically influences the actions or operations that the subject will perform.

If we would wish to make a comparison between what these three models of business management represent and the human relationships we know about daily life, we could establish the following illustrative parallelisms by way of example: in the mechanistic model there is an evident mastery of one another in which each party knows what it asks for or demands as a counterpart, something that resembles prostitution, in which one demands pleasure and the other demands money without mediating between them another type of interpersonal relationships. In the psycho-sociological model we are faced with the sentimental relationships of a couple who, given their sporadic and temporal character, cannot depend on its stable continuity over time even if it can last a long period of years, which is the reason why the rupture of this situation cannot be clearly seen as a failure, but simply as the end of a temporary relationship. Finally, the anthropological model resembles, in this sense, a mature, stable marriage, with years of common experience and enriching mutual experiences that, from the beginning, was born with the aspiration of an indefinite permanence in time, acting as a compromise between the part which acts as guarantor of the mutual results expected and desired by all. The same is true of the medical profession: I exercise it for my benefit, for professional success or as a way of life at the service of the health of others.

As indicated above, there are three concrete ways of understanding the operation and management of a company that give rise to three explanatory models: mechanistic, psycho-sociological and anthropological, each of which encompasses everything that comprises the former, contributing new aspects.

In the mechanistic model, the primary focus is on the execution of the actions that are entrusted, thus the hierarchical relationship that is established is of evident mastery. For this reason, the type of trust that can be developed between the parties is a functional operational trust: people are relied in the same way machines are because, in the end, their presence in the company is considered similar to an appendage of machines. Yet this position is clearly wrong because a machine does not learn, does not think, does not decide ... and a person does, thus people can form loyalty against or for one another. For all of these reasons, if operational functional reliability is to be practiced, it is preferable to do so with the machines since that is where it reaches the highest degree of reliability. This model is guided by the causality or stimulus-response relationship, both for machines and for people. What we are interested in finding is a functional person, that is, a person who folds to the conditions imposed by the job, the task to be performed, since that

is how we hope to achieve effectiveness as a result of all that we ensure a minimum profit or economic profitability for the survival of the company. What is achieved therefore is a consequence of the operational decisions that signal the execution of the daily actions and decide the process to be followed in each moment, which represents the technical dimension. The type of motivation that is promoted and offered to workers is an external motivation to them that we call extrinsic motivation and parallels a barter: the employer offers the worker a series of economic incentives, awards and sanctions, through which he hopes obtain in return the collaboration of the subject in the execution of the tasks entrusted. However, it is easy to understand the insufficiency of this approach to explain the development of tasks in which the human being has to intervene actively and not in the process of the activity of a machine. The model responds only to the question of what is done, but humans need much more, we also need values of self-esteem, that is, others to recognize that we have done well and the need to be loved by others, to develop the ability to love others and freely give back our affection as a free and voluntary correspondence that we have received from them, which is what entails high levels of personal satisfaction and integration with each other. The opposite leads to frustration, loneliness, depressive sadness or its alternative: the hysteria of one who is unable to freely reciprocate the received affection adopts tremendously selfish positions and attempts to constantly demand the attention and interest of others on his person in order to become the center of the entire universe that exists, which leads to a high degree of personal dissatisfaction.

Regarding the second model, the psycho-sociological, the prime emphasis is to obtain a behavior that is considered desirable. Therefore, the relationship established is a masked white glove domain, which is apparently not noticed, because it is intended that, through a special ability to present things, goals and the goals of the company, the worker does his homework with pleasure provided that everything comes out "to their liking" as previously mentioned. This model lends itself to a terrible, manipulative trap: I feel captivated by another which has touched me in my weak fiber (money, honor, feelings, affections ...) thus exerting a violence on me that we have termed a white glove which resonates in my thoughts. For this model of business management, all the elements we have considered as means to achieve an attractiveness in what we present occur, leading to business efficiency as an end. Therefore, motivation will be a useful tool in the service of attractiveness to answer the questions of how and with whom things are done, that in turn guarantees the company obtaining functional people in which we have placed a functional operational trust. The human group is thus recognized, in principle, to a task or social dimension to perform: to establish a concrete way of taking actions so as to ensure a minimum of what is considered desirable and which is the basis of efficiency. This concrete way of seeing and doing things is the basis of the business culture that explains how it is acted out, showing the human values that are practiced and those that are excluded and marginalized. All of this is based on the tactical decisions that are those that structure the process by planning the way forward to achieve the objectives. The type of motivation that is most encouraged is intrinsic motivation, which is a type of internal motivation or self-motivation by which the individual

values his professionalism, being this the desire to be a good professional that encourages him to execute his task correctly, even when both this motivation and the corporate culture itself will mislead the worker when he discovers the perverse manipulation that he is being subjected to in the organization, either by means of white glove mastery or by a calculated manipulation because, although apparently the person matters, it is only a mere appearance since what we are trying to achieve is to skillfully dispose of the worker for our interests based on the way we present things, the motivation we propose, the degree of collaboration and participation that we seem to give to the worker, yet in which the worker counts neither as a person nor in his personal initiatives. If one day we can not give the economic incentives that we were offering, it will be seen that the only thing that counts is to achieve first and foremost economic results, a fierce competitiveness against each other, which is not synonymous with competition. Therefore, it is a psychological manipulation, at least, by which the company uses the workers as an instrument to get what it wants.

The anthropological model is the only one that offers a global and full explanation of the company, in its technical, psychological and ethical aspects, so that it values the person for what he is and what he can become, because what a person is a consequence of their experiences. What is important in this model is to achieve a lifestyle that makes possible real human relations between the members of the organization and with all that surrounds them, to achieve the full development of all potentialities. The model is guided by the criterion of purpose, seeking the goals and objectives that are considered correct and valuable together with the means that are adequate and timely, that is: the means necessary, appropriate and proportionate for such purposes, because the purpose does not justify the means. It is this approach that leads to seek the personal function that can best develop each member of the organization, which is prepared and then entrusted, which leads to foster mutual trust interpersonal. The model is thus concerned with answering all the big questions, putting special emphasis on why and for what I have to do what is entrusted to me. Also, to the extent that all members of the organization respond favorably to all the essential questions, the value of unity as a consequence of leadership develops in the company, which brings in its members an attitude of illusion, cooperation, collaboration, participation, mutual respect, development of common goals and high degree of satisfaction. All of this has its reason for being in the criterion of consistency that constitutes the objective of this human group: the determination of what is valuable and what is important as a goal that is tends to constitute the necessary or ethical dimension of the organization, which leads us to understand the meaning of the phrase: "it is crucial to make the necessary (=efficiency) what is necessary (=consistency)", because it is this set of ethical principles and human values that are proposed as what should be done, business philosophy and that each member of the organization will compare with those practiced in the corporate culture, which is considered convenient and necessary that are present, which produces an interaction between both that allows the self-correction philosophy and culture and vice versa. All this is based on the strategic decisions that shape the process through the programming of the final goals and objectives. The type of motivation that is most needed for all of this is the transcendent motivation,

which is a type of internal motivation or self-motivation by which the individual values his vocation first, that is, his ability to serve, to be useful to others, to promote the good of others through the actions, qualities and possibilities that one has.

Obviously, in all human action the three types of motivations are present, but their relative weight is different and this is what allows to speak of the motivational quality of a person. When the transcendent motivation is great, it alone is in charge of starting the action, even in the absence of tangible rewards such as economic incentives, decorations, etc. What is true is that a high degree of transcendent motivation will motivate me to be a highly qualified professional, not for my own prestige but for the possibilities of serving others that are offered to me by acquiring those personal and professional capacities. However, whoever lacks transcendent motivation, it is practically impossible to reach it from the previous two. In fact: if my main motivation is money and economic incentives, what we have called extrinsic motivation, you may understand that I can only secure it if I can be a good professional, but in this way what I do is to reinforce the extrinsic motivation, putting at its service the intrinsic. Therefore, all this is insufficient to develop further motivations, since we are faced with a position that only develops the usual loyalties of money (=motivation, extrinsic). However, if we abandon this attitude, it is possible that we take the qualitative leap that leads us to value the work itself and not as a means to obtain higher income, and although this is difficult, we would then find that extrinsic motivation has given to intrinsic self-motivation. In order for the transcendent motivation to emerge now, we need to take a qualitative leap forward: discover how valuable our profession is to serve others and promote the good of others with our own actions, even if we do not receive economic incentives, because we obtain the satisfaction of doing happy to others with our actions and thus give a channel of expression to affective needs in the framework of a rationality, which is not blind egoism or blind and sentimental altruism but a search for the good of others on the basis of intelligent altruism and intelligent selfishness, which are the two sides of the same coin: I need others for my personal fulfillment and the others also need me, so this rational motivation for transcendent reasons, not only does not oppose development itself (=“selfishness” Intelligent), but it is the one that has to move him to grow in his moral virtues, which are the ones that perfect him as a decision maker. As can be seen, the anthropological model is based on the realization of personal donations that are given, received and properly corresponded, given that this is the basis of authentic human relationships as it has been repeatedly exposed in the various parts of our development.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

1. Managers rarely explicitly state the models used when making decisions.
2. Theoretical models of human resource management represent the reality of the companies.
3. Soft model is based on an exhaustive control and hard model is based on control through employee engagement.
4. Based on motivational quality of individuals we can find three different models: the mechanistic model, the psycho-sociological (also called the organic or biological model) and finally, the anthropological (known as the institutional or humanist) model.
5. The mechanistic model seeks to establish business performance, which answers the question with regards to what is done and pursues the achievement of economic results as a result of certain technical processes.
6. The main problem of psycho-sociological model is the no consideration of non-formal or spontaneous aspects of organization such as employee motivations and other interactions.
7. The psycho-sociological model seeks the satisfaction of employees through making work tasks and business efficiency attractive, so that it incorporates the social dimension of the human group.
8. The psycho-sociological model does not include a technical system and a system of incentives as well as the mechanistic model.
9. In many situations, the process of negotiation and participation used in psycho-sociological model, has no other purpose than to psychologically manipulate people by trying to motivate them in the cheapest way possible.
10. The anthropological model is not the most complete model and it is one that relies on people while addressing the questions of why and to what end things are done.

Answers

1. Managers rarely explicitly state the models used when making decisions. **True**
2. Theoretical models of human resource management represent the reality of the companies. **False**
3. Soft model is based on an exhaustive control and hard model is based on control through employee engagement. **False**
4. Based on motivational quality of individuals we can find three different models: the mechanistic model, the psycho-sociological (also called the organic or

- biological model) and finally, the anthropological (known as the institutional or humanist) model. **True**
5. The mechanistic model seeks to establish business performance, which answers the question with regards to what is done and pursues the achievement of economic results as a result of certain technical processes. **True**
 6. The main problem of psycho-sociological model is the no consideration of non-formal or spontaneous aspects of organization such as employee motivations and other interactions. **False**
 7. The psycho-sociological model seeks the satisfaction of employees through making work tasks and business efficiency attractive, so that it incorporates the social dimension of the human group. **True**
 8. The psycho-sociological model does not include a technical system and a system of incentives as well as the mechanistic model. **False**
 9. In many situations, the process of negotiation and participation used in psycho-sociological model, has no other purpose than to psychologically manipulate people by trying to motivate them in the cheapest way possible. **True**
 10. The anthropological model is not the most complete model and it is one that relies on people while addressing the questions of why and to what end things are done. **False**

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Training and Development of Human Resources: A Brief Contribution to a Better Understanding of Its Relevance

Carolina Machado

Abstract Integrated in a context characterized by deep changes, with increasing levels of competitiveness, organizations need well-trained and informed human resources able to answer quickly and effectively to the challenges that they are facing. Given this dynamic, this chapter seeks to study and highlight the importance of training and development in the context of current management, with particular emphasis on human resource management. In view of the nature of training and development as well as the key elements to be considered in the definition and implementation of a training program, we will look to study the different training and development methods with particular emphasis on those most frequently used today. Parallel to the process of workers' development, we will also look to study the organizational development process, without neglecting the problem of diversity in work.

1 Training and Development: Concepts, Objectives and Differences

Increasingly, companies are becoming aware that they can not compete in different markets unless they are sufficiently productive and invest in a better trained and skilled workforce (with more qualifications). It follows, of course, that the training of employees is a key factor in improving the organization's productivity levels. In this sense, it is therefore important that the organization provides its' workers with the skills and knowledge they need to meet the different changes and demands they are facing. In fact, what is happening is that today, and increasingly in the future, successful companies will be only those that respond quickly to changes that are felt, increase the diversity of their workforce, and bet in the training of its employees.

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At this level, we can then say that preparing workers, enabling them to act in a system of high levels of performance, is an important human resources activity. This is why it is said that nowadays HR managers must not only be flexible enough and adaptable in a changing world, but must also be able to develop appropriate training and development programs able to provide employees with the skills and ability to quickly respond to these challenges. And this is increasingly necessary if we take into account that the rapid technological changes that we face today require workers who have the skills, abilities and knowledge that allow them to deal with new and increasingly complex production techniques and processes. It should be noted that training is something that manifests itself in the life of the worker not only in a single specific moment, but throughout his working life. That is, what happens is that it is a process that begins with the orientation of the new employee (in the company), and continues throughout the career of the worker. In this sense, and as we have already said, it is important that the HR manager develops training programs to improve workers' skills and performance in a changing workforce.

Training and development prove, this way, to be two critical factors, as far as they enable workers to acquire the necessary skills not only at present, in their present tasks, but also in the future, in new and different tasks that they may perform. The maxim that underlies here is that *if a worker becomes more productive and more involved in his or her tasks, the organization as a whole will also improve* (that is, it will also become more productive). In short, what we want to reinforce here is that organizations should treat their workers' assets to be developed, rather than costs to be cut.

So, what is mean by training and development of human resources?

Although in practice these two concepts are used in an undifferentiated way (and in our case, we are not going to be an exception to the rule, since we too, and after distinguishing these two concepts, we will refer to them as if they were a only concept), the truth is that among them there are some, important, differences. In this sense, let us see then in what each one consists of.

Beginning with training, we can say that this is no more than a short-term educational process that uses a certain procedure on the basis of which workers acquire technical/specific knowledge and skills for a definite purpose (to perform current tasks). We can then say that through training we seek to improve the current performance of workers, increasing, through learning, their abilities and potentialities. It follows that training is identified with the acquisition of skills in the short term to improve current performance. In other words, we can say that training is understood as the process by which we try to act at the level of workers' behavior and attitudes, altering them, in order to increase the probability of achieving the established objectives [1].

Generally speaking, and as we have seen, training is about teaching people how to perform the different tasks. It is important to point out that although training is a reality at all hierarchical levels it is much more intense at the lower and intermediate levels, where the information need for the correct functions performance is of great importance. Taking into account the relevance of training in the present days, companies in general have been developing high levels of investment in this field.

It follows that the training aim is to ensure that the different tasks (with their different specificities) are carried out at the desired quality levels by well trained workers. In short, training consists of investing in human resources; it tends to widen the scope of action of the workers who have being trained. In this sense, given what training is, and the objective it aims to achieve, it results that based on it is possible:

- Reduce performance deficiencies
- Reduce workers' outdated
- Increase workers' commitment
- Increase workers' flexibility
- Welcoming and integrating new workers
- Increase competence at work
- Improve productivity
- Solve/overcome organizational problems

The development of personnel, in turn, is relate with the identification of the necessary long-term capabilities that result from the company's strategic plan. It is broader than training, referring to the learning opportunities developed to support the evolution and/or growth of employees [1]. This development gives employees less detailed/specific information, but on the other hand provides them with a broader learning, which can be applied in the execution of a diversity of functions as well as in future works. That is, when it comes to staff development this refers to the process whereby employees acquire the skills, attitudes and experiences necessary for success in performing present and future tasks. In general, the development is felt more at the management level, aiming, through it, to reach a set of objectives, namely [2]:

- Reduce or prevent obsolescence at the management level, keeping managers accountable
- Increase the overall effectiveness of those responsible
- Increase (strengthen) the overall level of people's satisfaction in their position
- Prepare people for future positions of greater importance

Moreover, and reinforcing the objectives we have just focused on, we can say that personnel development serves essentially to:

- Increase individual effectiveness in the present and in the future
- Increase the individual's adaptability to meet future needs
- Promote the relationship between the individual career and the strategic needs of the company

(We must bear in mind that HR development needs change according to the demands made by the hierarchical levels. Indeed, what happens is that while supervisors have certain developmental needs, intermediate levels have others, and top managers already have others too). In short, staff development is macro, not

micro. It results in a better process understanding and, through this understanding, in a better functions performance.

From the above, it follows that training is part of HR development. That is, training is a specific issue of HR development, at the same time that, and in a broader perspective, HR development is a specific issue of organizational development.

Schematically we would have (Fig. 1):

From this figure it follows that while organizational development is systemic and comprehensive, staff development is career-oriented for each employee and their ongoing development towards long-term goals.

Training, in turn, is based on a microscopic and short-term vision, which seeks, as we have seen, to equip people with new knowledge and new skills. In short, it is a change in the behavior of these people.

At this level, and following what we have said previously, we can even say that training can involve three types of behavior changes, namely:

- Transmission of information

This is the simplest way to change people's behavior. A simple transmission of information to increase people's knowledge and skills will enable them to perform their tasks more efficiently.

- Skills development

Many training programs seek to improve or develop the skills and abilities needed to perform the tasks

- Development or modification of attitudes



Fig. 1 Relation among training, personal development and organizational development

It is often sought, through training, to change negative attitudes towards more favorable ones.

It should be highlighted that, since training and development is an investment in workers' current and future performance, it only becomes effective if there exist a real involvement and participation of all elements of the organization. That is why it is said that in order to have good results, the commitment and interest in training and development should start at the top of the hierarchy at the same time that the involvement and commitment of all workers should be promoted.

2 The Relevance of Training and Development Nowadays

In a context characterized by deep changes, where internationalization and globalization are a reality, people need to learn new ways to achieve their goals. At this level, staff training and development is critically important in stimulating skills and lifelong learning at all levels in the organization, providing employees with a more positive response to these challenges.

In all this dynamism, it is increasingly more common that people, on their own, have to bet on their development. In other words, since ever, and from an individual perspective, what we observe is that the role of training, and particularly the development of HR, consists in provide people with the necessary knowledge and skills to perform better and better their current tasks (making them safer), while at the same time seek to better prepare them for future tasks performance.

At this level, what we see is that in this way people sought to acquire technical, cultural and management training. However, the challenges we often face require that people themselves progressively engage in their own training. That is, more and more employees have to take responsibility for their training and development, which will take place, in particular, outside their working hours. In fact, what is expected today is that employees not only have interpersonal and technical skills and knowledge, when they start their job, but also that they continually renew them as new training demands are placed.

Parallel to these individual efforts, the organization also assumes a special emphasis here in providing its employees with training and development programs. That is, what we observe is that regardless of the bet that workers themselves must make in their training, the company can not exclude this responsibility. More specifically, and given the constant demands placed on them, companies must invest in the training and development of their employees in order not only to contribute to their higher qualification, by helping employees to take on new responsibilities more effectively, but also to allow for a greater adjustment between staff and management.

At this level we must bear in mind that the change that is felt in the environment affects not only the content of training and development, but also the time needed to provide this training. In fact, what we observe is that companies have to be constantly attentive to the challenges that the market is putting in order to provide the

most adequate training and better prepare employees to respond to these challenges. Training programs that have been appropriate in the past are currently out of alignment with the organizational reality, reason why new programs need to be promoted in order to provide the most up-to-date knowledge and skills.

On the other hand, this training must take place in a fast way, as only this way is possible to efficiently and effectively answer to the changes that are felt. Indeed, challenges and opportunities that occur in the market are very fast. To take advantage and make the best of them, companies need to prepare their employees on time. Otherwise, they could be left behind by their competitors.

Changes that are felt in the nature of the work have underlying the disappearance of traditional functions, based on standardized and mechanical production systems, and the appearance of new functions characterized by greater dynamism and creativity, based on flexible production systems. We face changes at various levels, in particular with regard to the use of power, skills, knowledge and information, as well as the employees themselves.

More specifically, Sofo ([3], see also [4]) presents some of the main changes that are felt at work. That is, for him transitions in the nature of the work have been:

- From work without qualification to a job with greater knowledge
- From repetitive tasks to creative, innovative tasks
- From individual work to work in groups/teams
- From a work outlined in specific departments and functions for a varied work based on projects
- From a strictly defined work in terms of rigid skills, to a job that requires uncertainty, discovery and changes in skills and knowledge
- From the domain of managers and CEOs to participation, collaboration and empowerment among employees
- From a situation where clients were ignored (only the company's interests prevailed) to a situation where customer orientation is considered critical for organizational development
- From top-to-bottom management and coordination, to self-management and self-steering between working groups and peer coordination.

Keeping up with all these transitions that are felt in the nature of the tasks, the organization itself, as a whole, also undergoes a set of changes and new demands, on which depends, in a great extent its success. Indeed, phenomena such as *speed*, *flexibility*, *integration* and *innovation* are a new reality for the organization, to which it has to be attentive if it wants to be successful in the market in which it is integrated.

In order to meet all these requirements, organizations must have capable, knowledgeable and ability staff who will be able to respond successfully to these challenges. It is at this level that we face the relevance assumed by training and development. Indeed, only by providing training to people, in order to adequately carry out their current tasks, and at the same time promoting a constant personal development, that enables employees to have the necessary knowledge and skills to

carry out future tasks, that the organization will be able to respond efficiently and effectively to these challenges, achieving the desired success.

From all of the above result that, more and more, companies must invest in the continuous improvement of their workers. Promoting the training and development of human resources is of the utmost importance since it contributes to the creation of an effective learning culture within the organization in terms of individuals and working groups.

In this century, the challenges of learning lie at the level of communication, anticipation, and quick response and adaptation. In this context of rapid changes, survival and success are possible, not for those organizations that have learned (and that are left to stay for this learning), but for those organizations that prepare themselves for a continuous learning and that are concerned in having its collaborators more prepared and with the most up-to-date knowledge, able to respond with creativity to the challenges of the market and, in this way, better take advantage of existing opportunities.

With this in mind, and in the light of the relevance of training and development, as we have been reinforcing, we can observe that from a strategic point of view that training will tend to be oriented in three main directions [5].

2.1 Contribute to Accelerate Social Development

As technological developments develop much more rapidly than social developments, it is the task of training to reduce or even eliminate this gap.

Through training, it should then be possible to provide:

- A general background training (so that people understand why the changes are occurring)
- Professional training (enabling employees to make better use of equipment, as well as better knowledge of products and markets)
- And finally, lead people to express a desire to change. That is, that training allows to lead to the individual development of the collaborator

In this way, by providing people with higher qualifications, training will undoubtedly help to accelerate social developments, so that technological change/change can be introduced more smoothly (for example).

2.2 Help Change Attitudes/Behaviors

Today, more than ever, it is necessary to change attitudes so that staff can be mobilized according to the company's objectives and strategies.

Worrying the companies in developing new attitudes and behaviors, as a way of better integrate their strategic objectives, advising customers and selling products, training emerges as a critical instrument for their realization.

Taking into account the importance that quality and service assume today, the change of attitudes of all employees is fundamental to be able to win the future.

2.3 Prepare the Future

It is very often observed that training concerns in business are to train people so that they are able to respond to current issues.

However, and considering the continuous changes in the environment, this training effort must be made looking not only to the present, but also and fundamentally to the future, to the point where training is capable to answer to the questions that will be put tomorrow.

In this context, we face two types of training, namely:

- Initial training (given at the school as well as in the beginning phase of the employees' career. In other words, we can say that it consists of teaching what is currently done)
- Development training (resulting from the changes that are being observed, such as the appearance of new products, new technologies, new management styles)

This development training is oriented in four main directions:

- New behaviors (which allow for an improvement in relationship, communication and teamwork skills)
- Knowledge of products and markets (the emergence of new and increasingly complex products, coupled with an ever-changing market, drives companies to increasingly develop their employees' technical skills in order to better solve the problems that arise)
- New skills/qualifications (for higher levels of specializations)
- New entrepreneurship (in the sense that managers do not just transmit instructions from the top, but are themselves able to take responsibility for their units, set goals and implement new ways of animate and manage their collaborators)

As a consequence of whole this process of change, HR development is of great importance, as it creates a spirit of initiative, creativity and a sense of responsibility, more in line with the new demands of the world of work.

Although this is the principle that must be underpinned here, the truth is that in practice things do not always obey this principle. In fact, even though there is a lot of talk in training and development, the truth is that companies often, in the eagerness to obtain the maximum profit, and therefore manifesting a purely financial concern, neglect the implemented training processes. More specifically, what we are trying to say here is that with some frequency companies do not care

very much about providing the training that is more appropriate to the needs and operational profile of their employees. They are only concerned with providing training, without prior study of actual training needs.

More specifically, and in what concerns to this problem, what we want to say here is that, as result of this action, there are many lags that can be observed here, which undoubtedly end up undermining the real relevance of training. Within these lags we can mention some of the most frequent ones, namely:

- In many situations there are the objectives of the training entity that prevail, both in terms of training policy and training methodology, against the idea of a negotiated process involving both trainees and trainers, with a logic of participation
- There is a disqualification of the professional knowledge built by the workers, the knowledge acquired in professional practice (in the development of their activity) and outside the formal school system
- Very often, after training, workers do not have the opportunity (or they are not given the opportunity) to apply the new knowledge acquired in the performance of their tasks (see [6])
- Sometimes the gap between the training time and the time of the application, as well as between the training space and the execution (or action) space is so great that it ends up creating with the collaborators a feeling of frustration that is not at all favorable to the performance of their tasks

Take into account these possible gaps, and in order to overcome them, the organizational leaders will have to act, adopting measures directly related to all these issues, while keeping in mind a number of queries, namely:

- The adoption of a broad concept of training (as we have been advocating)
- Promote an effective link between the training provided and the actual training needs
- Contrary to the idea of a punctual effort, training should be understood as a process that goes on over time
- The training and development process should promote, at the time of its development, the participation of all stakeholders

Only by this way will be possible to develop and take full advantage of the implemented training and development programs. Only then will be possible to answer more efficiently and effectively to the challenges that the current context where we live are putting to us.

As a matter of curiosity, and to conclude this point, we can point here, some of the characteristics that distinguish organizations with the most effective training and development practices, namely:

- Top management is effectively involved in training and development (devoting large amounts of its revenues to training and development investments)
- Training is directly linked to the company's strategy and objectives

- There is a systematic and comprehensive approach of training; training and retraining is felt at all levels, on an ongoing basis
- There is a commitment to invest the necessary resources, provide sufficient time and money to implement training and development programs

3 Workers Training and Development and Human Resource Management

As everyone know and in the sequence of what has been discussed in this chapter, our environment is constantly changing. It follows that in order to most effectively answer to these changes, organizations themselves also need to develop changes in the way they are organized, structured, in sum, in the way their tasks and all of their activities are developed.

In this sense, what we have seen is that progressively we move from centralized, extremely bureaucratic and rigid organizations to increasingly flexible, decentralized organizations, that is, organic organizations. Indeed, what we observe is that this new management perspective, contrary to the classical perspective, focuses on quality, customer service, hygiene and safety at work, occupational health, access and equality among workers, workers participation, motivation and training, environmental issues, leadership, competitiveness, performance management, innovation, creativity, etc.

Throughout this context of change (and following the new forms of work organization), the central focus has progressively been placed on 'people'.

It is precisely at this level that we come across HRM which, in the context of management, refers to the area that deals specifically with HR. However, and because the employees are scattered throughout the organization, we can say that HRM deals indirectly with all the organization resources. Being employees the HRM focus (we must not forget that it is perfectly evident here that employees are the organizations critical success factor; they are their differentiating factor), it is observed that more than planning, organizing, lead and control, HRM should focus on improving and developing human potential within the organization.

That is, HRM has to prepare the employees as best as possible to achieve organizational goals in order to increase productivity. At the same time, HRM also involves strategic, managerial and general functions relating to all matters concerning the organization's staff. At the same time that it is also responsible for attracting new and qualified workers, for their placement/integration in the organization, productivity, training and development, as well as their exit.

Training and development efforts (focus of analysis of this chapter), thus assumes one of the responsibilities of HRM.

In relation to this issue, if it is true that this is the philosophy that underlies the most recent literature and therefore the one we have in mind, the truth is that other authors, whose studies on this theme began to develop a few years ago, presented

different perspectives. In other words, what we are trying to say is that considering HRM responsible for all the activities directly linked to the organization HR, and following, at the same time, the principle that one of its concerns is to maintain a prepared and able workforce to face the different organization challenges, HR training and development is undoubtedly seen as one of its most critical areas of action.

Defenders of this position are, for example, DeSimone, Werner and Harris [7] who have the opinion that training and development function is included in the HRM. That is, for them HRM is understood as the effective “use” of workers in order to achieve the organization objectives and strategies. More specifically, to these authors, HRM has as basic concern to obtain, maintain and develop the necessary human resources to the organizational functions performance.

Different positions have, for example, other authors such as Nadler and Nadler [8], and McLagan [9, 10].

With regard to McLagan [9, 10], she highlights training and development, highlighting it from HRM. That is, for this author there is a development function that integrates training and development, organizational development and career development; and, on the other hand, there is the HRM function which includes HR planning, job analysis, performance management (performance appraisal), recruitment and selection, Although considering this distinction, she considers that given the importance that development takes, although not directly, it is also present in the HRM, which is why the two areas of action are closely related.

Nadler and Nadler [8], on the other hand, present a position very close to that of McLagan, since they also distinguish between the development function and the HRM. That is, on the one hand we are faced with development, which includes education, training and development of human resources; on the other hand we come across HRM which includes recruitment and selection, integration, rewards and benefits, performance appraisal, information systems, This separation is fundamental to them (not overlapping one another), requiring, however, the collaboration of all in order to achieve the organizational and individual objectives. More specifically, the underlying idea is that there must be constant cooperation between all HR areas. Being more clear about the position of these authors, and focusing, for example, on the performance appraisal process, what they advocate is that while HRM ensures that the whole process is conducted properly, the development function ensures that training and development programs promotion is available in order to overcome the shortcomings detected, as well as to improve and maximize the possibility of growth and evolution of HR and the organization itself.

Regardless of these distinct positions, the truth is that everyone cares about the best way to act on employees, helping them to become more productive. That is, the main focus goes to the relationships in the workplace, the importance of continuous learning, the transfer of skills in the workplace, the participation in decision-making processes, etc.

Understanding HRM in its broadest sense, that is, covering all HR activities developed within the company, it is our position, that the employees training and development is one of HRM’s policies.

However, regardless the adopted position, the idea that must prevail here is that training and development spending should be understood as an investment both in HR and in the organization itself. If this is not the case, management is going against all the principles underpinning the new management perspective, according to which the organization has an organic-flexible model behind it, where participation, involvement and commitment are a reality.

4 The Trainer Role as a Change Agent

Due to the changes processes that affect organizations, we can also observe a deep impact on HR. More specifically, a great deal of emphasis is placed here on HRM, and in particular on HR training and development. Given that people can provide a powerful source of competitive advantage for organizations, which, contrary to the development of products or processes, are not easily copy, it is of the utmost importance for organizations to develop continuous processes of training and development. Moreover, and in a change context, the training practitioners (the trainers) play an extremely critical role, as they are required to exercise a diversity of roles in the context of a change process.

Given the importance of these changes, their impact on organizations, and the importance of trainers, we are faced here with the question of what is the trainer role in whole this context of change.

McLagan [11], among many other roles, is of the opinion that the person responsible for training and development, as a change agent, has, among others, the following roles under his responsibility:

- Learning program specialist—has to identify learning needs, and design training programs
- Instructor/facilitator—at this level it is the task of facilitating the learning of new skills, behaviors, attitudes and values
- Promote individual and career development—should provide employees with higher levels of competence as well as values, promoting greater congruence with individual careers
- Researcher—diagnose trends regarding the organization's internal and external environment, as well as change efforts and established strategies
- Change agent—training practitioners are involved in the process of organizational change, helping to define and communicate the organization values and vision through training and development at all levels of the organization. They can help workers better understand the need for change, as well as the resultant benefits to both individuals and the organization, both in the short and long term.
- Contribute to more effective leadership/change—the person responsible for training and development will be called to help individuals and groups work with new situations

In sum, it follows from the foregoing that the responsible by HR training and development plays a critical role in supporting senior management in implementing organizational change. More specifically, it is fundamental that he understands the organization internal and external factors, which impose the need for an organizational transformation; should facilitate the cultural change process, developing this way managers and other key elements; advice on training and development strategic issues. As key change agents or researchers, the key objectives of training and development practitioners are to establish appropriate systems, and to support structures that communicate, reinforce and institutionalize new behaviors, values and attitudes, and ensure that the sustainability of change efforts remains in the long term.

In developing all these roles, training and development professionals must move around the organization, encourage the sense of flexibility and adaptability, and be agents of change in their own future.

With regard to the person in charge of training and development (and therefore the supervisor), and as a result of the changes that are taking place, we will return to this issue later, in particular with regard to the importance of training supervisors.

5 The Training Process

Analyzed the training and development, as well as the importance they assume today—and knowing that, if they are not well implemented, a set of mismatches can arise, which have implications that are not favorable to organizations, we put now the question to know *how a training program can be developed in order to enable workers to perform more effectively.*

That is, what we mean here, and this was already mentioned by us earlier, is that today, and in a general way, organizations apply large amounts of capital in their workers training. However, and as we have also focused before, much of this money is spent on unnecessary and/or obsolete training programs. Taking into account this situation, and given that investing in training works exactly in the same way as investing in other resources, it is observed that, in order to ensure that the money spent in training is really effective, it is necessary to have the same logic used in the other management decisions.

More specifically, and in order that the training process can be truly effective, it is essential the existence of an organized procedure. In other words, the responsible should [12, 13]:

- In a first moment, identify training needs, as well as set specific objectives and evaluation criteria
- Define the most appropriate training methods and conduct training
- Evaluate training results

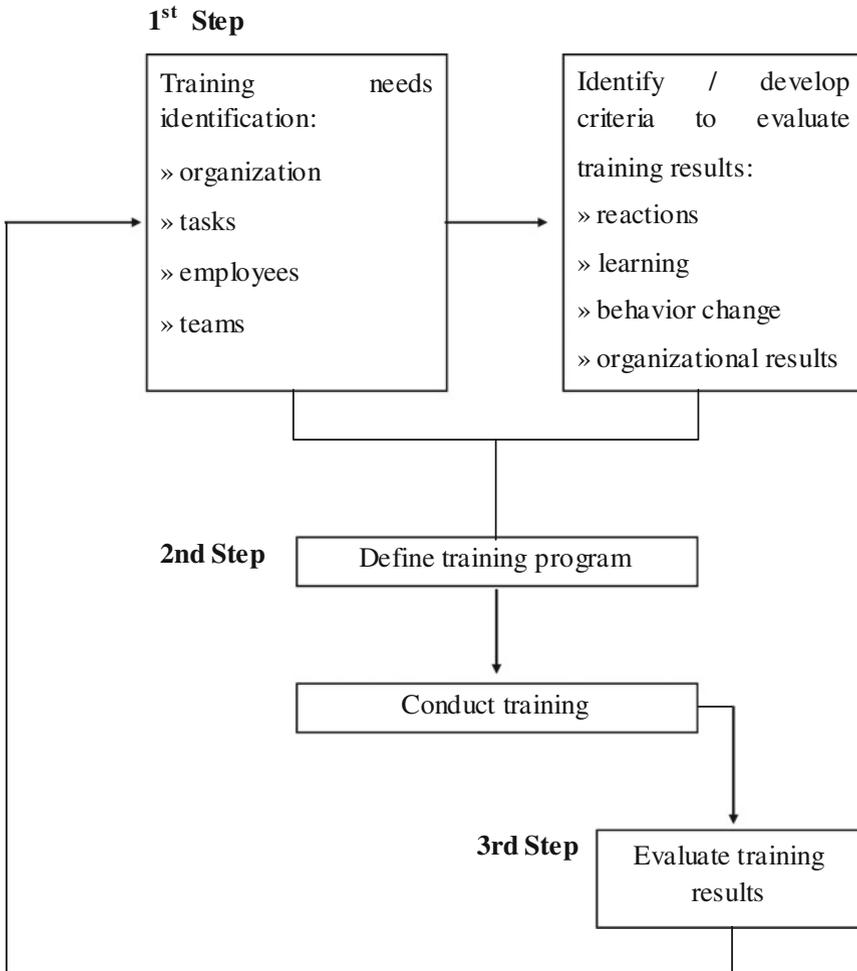


Fig. 2 Training process

This procedure can be easily observed in the above scheme (Fig. 2):
Let's take a closer look at these different steps.

5.1 Identification of Training Needs

The first step of the training program is to identify training needs. This identification of needs, as a rule, refers to a systematic and objective identification of training needs. At this stage, what is wanted is nothing less than to determine what type of

training and development organizations need [12–14]. Very often it turns out that organizations use two possible approaches to answer this question:

- One is to ask the workers what kind of training and development they feel they need
- The other is to ask managers what kind of training and development they feel their workers need

Considering these two perspectives, it may be said that while at the highest levels of the hierarchy the first position is more frequent; at the lower levels of the hierarchy is more frequent the last position. What is more, what happens is that some organizations develop a formal approach to identify their training and development needs, but in many cases, this survey is done in an informal way.

More specifically, and in order to identify such needs (using, among other methods, auditing, interviews and questionnaires), organizations can draw on a diverse set of sources, including:

- The strategic plan of the organization

The organization's strategic plan is understood as one of the first elements that those responsible for training and development will analyze, in order to identify how the training can help to achieve the defined objectives. At this level, and in accordance with the stipulated objectives, important training needs can be identified.

- Workers' relations

The existence or not of conflicts in the work, can be a good base for identification of possible training areas.

- Performance appraisal

The performance appraisal results are an important source of identification of training needs, since through this evaluation is possible to see the shortcomings that most manifest themselves with the workers.

- Customer inquiries about their satisfaction

Customer satisfaction or dissatisfaction with the services provided to costumers is also an important source of identification of training needs, since it is possible to detect any shortcomings and insufficiencies manifested by employees, and thus possible areas of training.

- Observation

The simple observation of the workers actions constitutes an important source of the training needs identification, reason why it should not be despised by those in charge of the training.

In addition to these, there are many other sources, which the organization can use to identify its training needs. Although the organization can draw on all of these

sources of identification, in practice what happens is that those responsible for training and development conduct a three-step analysis when identifying needs (using, as can easily be deduced those and other sources of needs identification), as can be seen below.

That is, an extremely simple method for identifying the organization needs in terms of training, is to do a three-level analysis and then determine whether or not there are needs for each of them. More specifically, this triple analysis consists in the following [14].

5.1.1 Organizational Level

Here we will meet the organization short and long term goals

Let's look at an example: "improve product quality".

Once we are in the human resources area, our analysis could focus on the organization HR, focusing on a set of issues, namely, productivity indices, efficiency indices (labor costs, output quality/quantity, percentage of production loss, etc.), indices of work life quality (absenteeism, turnover, complaints, work accidents, etc.).

5.1.2 Functional Level

For each functional area, determine the expected performance standards for the sector, check the organization's position against those standards and, if there is a negative deviation, define the appropriate type of training.

For management functions, determine needs in terms of technical, managerial and interpersonal skills.

5.1.3 Individual Level

Here we can use various possible techniques to identify training needs, some of which can be mentioned here, namely:

- Through performance appraisal
- By assessing the employees potential
- Through self-assessments

5.2 *Definition of Training Programs*

Finished this survey of training needs, HR managers (or those responsible for training) are faced with the second stage of the training process, namely, the definition of training and development programs [12, 13].

In this new stage, we then begin by specifying training objectives. If we wish, we can mention that it is at this stage that a series of questions are posed (to which we intend to answer, and which together give rise to the training programming or planning), such as:

- What should be taught (training content)
- Who should learn (trainees)
- How to teach (instructional methods and resources)
- Who should teach (trainer)
- Where to be taught (training place)
- When to teach (period or periodicity)

It should be noted that in setting these objectives, the organization ensures that training is being targeted for specific purposes, which will enable it to assess the results obtained.

That is, what we want to say here is that this second stage of the training program consists of setting objectives and criteria. These instructional objectives and criteria describe performance in terms of training.

Associated with the definition/development of these objectives, it will be possible to point out some advantages:

- On the one hand, and as we have seen before, objectives give us criteria for evaluating the training program.
- On the other hand, objectives provide trainers with the specific topics and content in which they will focus.

This ensures that training programs focus on important topics and objectives, which have a meaning for trainers.

As we will see more closely below, the attainment of these objectives and criteria can be achieved by selecting an approach to the appropriate training. More specifically, the basic techniques that can be adopted here include, among many others (and as we will see), coaching, job rotation, mentoring, simulation, facilitating, etc.

These training methods can be used to achieve either one or a combination of learning objectives, namely, cognitive, non-cognitive and psychomotor [15].

- Cognitive learning refers to the job specificities. It is related with facts and the method sequences
- Non-cognitive learning is related with behaviors: creating and responding to position requirements
- Psychomotor learning involves the development of tasks requiring the use of the hands, feet, and body.

These different types of learning can be achieved through a broad set of training methods, which we will look at over the next points.

Once defined the training and development program, it will be carried out, that is to say, we will pass to the execution of the program.

5.3 Evaluation of the Program/Results of the Training

At this stage, what we want to emphasize is that it is extremely important to verify that the training has had the expected results in terms of, for example, increasing productivity, transferring knowledge to the job, reducing the number of accidents at work, improving the image of the organization, retraining of workers, etc.

More specifically, what we mean here is that the evaluation process involves obtaining a set of information in order to see if the trainees were satisfied and learned from the training [12, 13]. In this sense, we can then say that the evaluation considers several areas, namely:

- On the one hand, it seeks to know if the identified needs, as well as the objectives, have been achieved
- Looks to see whether previously defined criteria have been met
- Try to find out if the training method adopted was effective
- Finally, it seeks to assess whether the evaluation provides feedback to the trainer, making him more effective in his teaching process

Regarding these issues that we face at this evaluation stage, it is observed that:

- As regards the first two concerns, it is observed that the answer to them involve both the trainee and his supervisor. More specifically, and with regard to the trainee, we can use the elaboration of any type of test, which will allow us to measure the trainee accumulation of knowledge. However, in addition to the knowledge of this issue, we are faced with an even more important one, considered the key area, namely whether the training received by the worker allowed him to transfer an increase of efficiency and effectiveness to his work. Given that this knowledge is more of the supervisor responsibility, the supervisor should be asked about this question, namely through a written assessment after the trainee arrives at his place of work.
- In order to assess whether the selected training method had been effective, the sum of the test results made by the trainee with the supervisor's assessment of whether the worker is now more effective at his/her position may be used.
- As for the last area of concern (and assessment) focused (e.g., the trainer effectiveness), the same scheme as previously adopted could be adopted. That is, to adapt the test answered by the trainee and the assessment developed by the respective supervisor, in order to detect any areas of weakness in the course, as well as deficiencies in the curriculum. Identified any gaps, the trainer can

develop and implement the necessary changes in the system and level of education in order to increase the effectiveness of training programs.

In short, in the event that the expected results were not achieved, then the causes must be searched, so that it does not happen again in the future.

To conclude this point, it should be pointed out here that this assessment process is easier to implement at lower levels of the hierarchy (which tend to have more specific and measurable results) than at the higher levels. Indeed, unlike the first ones whose training is more specific, top managers can for example, attend a seminar in order to increase their listening skills.

Given this situation, it is observed that in measuring the overall effectiveness of both training programs, it is easier to obtain feedback and to make an evaluation of the first situation, than of the second one. However, it is of interest to note that all training programs should have well-defined objectives that serve as a basis for evaluation (while comparing the underlying costs and benefits).

In summary, and as regards the evaluation of training results, it is of interest to note that, as we have already focused on, many organizations ask the participants in the training action to evaluate the training obtained as soon as the respective program ends. In the event that the organization is providing more than one training session, trainees are asked to evaluate each of these sessions (as they end), so that the employees involved can respond while the training experiences they have gone through are still fresh in memory. However, with regard to this issue, some trainers are opposed to this, objecting even to this approach.

Contrary to that position, these trainers have the opinion that assessments are more effective if participants in the training sessions wait and only carry out their evaluation within a few days, by posting later their evaluation on the training received. For them, the existence of this interval time allows trainees to reflect on the training they have received, and consequently on what they have learned, and subsequently assess the usefulness of this training in their work.

Parallel to this assessment made by the trainee, and because training, as we have been focusing on, is both a cost and an investment it is observed that as a cost, a training assessment should also be implemented.

More specifically, what we want to say is that it is extremely important to carry out a financial evaluation of the training program [12, 16]. This evaluation will include an analysis of the direct costs (internal and/or external trainers, travel, materials, ...), indirect costs (training management, salaries to administrative staff ...), development costs (trainer training, fees to buy the program, ...), as well as rewards for trainees (salaries and benefits of participants, ...).

The idea behind this is that after collecting all the costs (the total of the items just focused), the organization can calculate the cost per participant. And this becomes all the more relevant if we take into account that the issue facing the organization is whether the money spent on training was actually well spent.

In order to get an answer to this question, the organization very often chooses to question the employee (trainee) about the results (earnings) of his work that he came to get after attending the training action. From this, the costs and the results

obtained will be compared, and if the organization concludes on the gains from the training processes implemented, it will conclude on their effectiveness.

Finally, it is also relevant to evaluate the overall effectiveness resulting from the training implemented. At this level, what is wanted is, among the set of training methods adopted, to evaluate those that have proven most effective. In fact, and as we will see later, it is observed that, when compared with each other, there are methods that are more adequate to achieve certain objectives than others. In this sense, and faced with this situation, the challenge here is to identify that (or those) training methods that are most effective in achieving the previously defined objectives.

In those cases where the methods are less effective (that is, where they are not so good), unless the trainer changes the adopted approach, what will happen is that participants motivation will begin to decrease.

6 Training Methods: Know to Know, Know to Be and Know to Do

As we have already seen, training aims at increasing knowledge, acquiring techniques as well as modifying behaviors and attitudes. It follows then, and also as we focus already, that the possible training methods to develop are oriented to three different areas of knowledge, namely [15]:

- Knowing how to know (cognitive domain)
- Know how to do (psychomotor domain)
- Knowing how to be (affective domain)

As far as “know to know” is concerned, what is happening here is that the basic objective here is to impart knowledge for the performance of professional duties (it relates with the specifics of the job; is concerned with the sequence of facts and methods).

The “know to do” in turn refers to the development of the tasks, aiming here to transmit to the trainee the key elements for the efficient execution of the tasks, to specify, for example, the requirements regarding the use of the body, hands, etc.

Finally, “know to be” is fundamentally focused on the transmission and acquisition of certain behaviors and attitudes compatible with a more effective development of the different tasks.

These three types of learning, that is, of knowledge can be transmitted through a broad set of training methods. Being difficult to focus all of them (because in fact there is a very great diversity of methods), we will focus our attention on those that are most frequently used, giving special emphasis to those that in the recent years start to be a focus of attention from many companies (such as coaching, mentoring, facilitating, counseling, ...).

6.1 Training “On-the-job” and “Off-the-job”

In what concerns the types of training possible to implement, there is no room for doubt that two major distinctions can be made here: on-the-job training and off-the-job training.

With regard to on-the-job training, it should be noted that this is done in the workplace itself. In this type of training the worker is placed in the work situation at the same time as the supervisor explains to the employee about the way the work is done in that concrete situation.

Used in a very broad way, this type of training usually involves the help of a superior or an experienced worker, and can sometimes take other forms, such as coaching and counseling.

As opposed to “on-the-job” training, we encounter “off-the-job” training, which relates to a type of training that takes place outside the workplace. Even if it is provided outside the workplace, this type of training is often carried out by staff of the own organization; other times, however, it is carried out by third parties, namely personnel belonging to vocational training organizations. Very often universities, schools, and other organizations promote the development of these training and development courses.

Whether in on-the-job training or “off-the-job” training, organizations (and bearing in mind all three types of knowledge) may use different, specific, training methods. Within these, we can observe that some are more traditional, while others have only come to emerge over the recent years. Given the diversity that exists, let’s look at some of these methods. Starting with the most traditional, we will move on to the more recent ones.

6.2 Training Within Industry (TWI)

With regard to this training method (very much oriented to “know to do”), we can say that it is geared towards a rapid and effective training of personnel, enabling the preparation of the heads of the team and those in charge so that they can, later, to teach their employees.

More precisely, this method is characterized by a detailed description of the tasks, as well as by highlighting the key points, so that tasks can be performed efficiently. In this context, and in order to achieve the desired objectives, training sessions should be guided by four fundamental vectors, namely [15]:

- Receive and prepare the person in the awareness of the issues to learn
- Present the operations in its several steps and key points
- Guide the execution of the work
- Carry out a continuous assessment.

6.3 Method of Cases (Case Studies)

This method (oriented to the “know to do”) shows itself as a very important tool in the classroom training sessions. In general, it is based on the analysis of case studies, usually presented in writing or on film, discussed together by the training group in order to obtain the necessary solutions to the problems they have at hands [15].

6.4 Dramatization/Role Playing

Dramatization method (very oriented to “know to be”) allows the improvised representation from a given situation, having the trainees to recreate the roles stipulated in that situation.

This method allows us to perceive the reactions of individuals to concrete situations, facilitating the change of behaviors and attitudes by the awareness of what is played in the roles in representation [15].

An extension or, if we want, a more complete version of the dramatization method is what is called role playing. It is the same as the dramatization method, but in a much more complete perspective.

The basic purpose of role playing is to familiarize participants with the different types of behavior in the workplace with which they have to deal with their daily lives, as well as to discuss the most appropriate ways of dealing with these situations.

By acting in this way, we can get feedback from the rest of the group. Subsequent to these comments made by the other elements, the trainer should give his advice on the pros and cons manifested.

6.5 Job Rotation

Another training method, also widely used, is the so-called job rotation. This rotation-based training involves the movement of workers between different positions within the organization. One of the justifications that leads us to choose this training method has to do with the fact that it allows the participants to become familiar with different tasks, while allowing these participants to be attentive to the nature and importance of those tasks.

This system (or training method) is very often used for the development of training at the management levels as well as for the development of self-management work group programs.

In fact, in terms of earnings, what happens is that the worker benefits from the possibility of learning a wide variety of knowledge and skills. For its part, the

organization benefits from the fact that it has a pool of highly experienced workers, from whom it can choose when faced with a need.

7 New/More Recent Training Methods

In parallel with those more frequently used methods, over the last few years we have been faced with a variety of other possible methods.

In this context, what is verified is that in a professional perspective, concepts such as assessing, facilitating, counseling, mentoring, coaching, etc., are concepts that are used interchangeably, since all of them refer to the same phenomenon, such as the act of transmitting new knowledge and know-how to workers, that is, training. However, although very often used interchangeably, the truth is that among them one can distinguish small issues, which make one opt for some, or opt for others.

So, and looking to highlight the issues that best characterize each one of these options, let us take a closer look at each one of them.

7.1 Mentoring

Mentoring is nothing less than a management tool, which is used to guide and develop a worker's career. More specifically, we can say that mentoring establishes a formal relationship between junior and senior peers; or if we want, between a person with a higher level of knowledge and another with a lower level of experience.

Therefore, mentoring focuses on the skills that the mentor uses to develop his/her protégé (the person who is "mentored" by the mentor), so that the mentee performs his/her tasks until reaching his/her potential, walking, this way, to a career progression. It follows that the central focus of mentoring focuses on the protégé's career, who is identified as a high-performing, career-advantaged collaborator. (Note that, as we will see later, this process differs from the (contrasts with) coaching, which provides suggestions on improving performance rather than career development) [17, 18].

7.2 Coaching

Another training methodology that can be used is the so-called "coaching". With regard to this new type of training, there are many the definitions given. However, irrespective of the diversity of possible definitions, the fact is that all of them end up with a single objective, that is, to help people better understand their behavior, and

thus better contribute to improving their performance, and consequently, the organizational performance.

Coaching requires a person who has the necessary knowledge to teach other individuals on a one-to-one basis, or small groups. It should be noted that although the knowledge of the task is important, a true coach (an effective coach) must also have the ability to communicate efficiently the information to the individual. It follows that if we want this process to be successful, the coach and the person being trained must develop a relationship of mutual trust. And this becomes all the more important if we take into account that a good relationship with the coach usually has repercussions on the improvement of other working relationships [17–19].

More concretely, the coaching process focuses on continuous learning, growth and change, which contributes to the continuous increase of the individual personal (internal) resources. Reason why it is said that coaching directs or redirects the energy and intention of individuals to increase motivation, achieve goals as well as maximize their potential.

From the above, it turns out that coaching proves to be an effective way of facilitating better working relationships, the process of change, even helping to achieve a more effective transference from classroom training to the workplace itself, that is, on-the-job performance. As far as the process of change is concerned, for instance, while this process focuses on the group or the organization as a whole, the coach can pay particular attention to individual workers, helping them to adapt to the new context of change.

Coaching thus takes the form of a learning action process that focuses on both performance and growth.

7.3 *Assessing*

Another training technique also used concerns to assessing. Generally, the assessing refers to the process according to which it is sought to confirm/verify that the person has attained the necessary competencies for the exercise of his functions. It is the process according to which we seek to gather evidence and judge the progress achieved by the worker in order to meet the performance criteria established at a certain level or learning outcome [18, 20]. That is, at the appropriate time a judgment (assessment) will be made on whether the competencies have been achieved.

At the workplace the assessors present certain skills and an assessment of the learning in the role, with special emphasis on the levels of competence to evaluate. Much more than relating the worker performance with others performance, what is at stake here is to identify/evaluate the extent to which the worker has achieved the previously defined results.

7.4 *Facilitating*

Facilitating comes from the word facilitate. That is, it means making things easier. In this sense, we can then say that the “facilitator” is nothing less than a person who can make things easier for other people. More than teaching new skills, “facilitating” focuses on process management. That is, “facilitating” means guiding a process, making effective participation in a given process easier or more convenient and comfortable for the people involved. In this sense, we can then say that the facilitator is the one who guides/leads a group to a particular destination [20].

7.5 *The Dynamics of Working Groups/Teams*

As we have already seen, job rotation can also be understood as a training methodology. Indeed, the ability of workers to move through a variety of tasks, performing a wide range of tasks, is an excellent opportunity for them to promote their personal development while providing the organization with higher levels of flexibility and adaptability.

At this level, the working groups, and especially the autonomous production teams, are particularly prominent since they constitute an excellent opportunity for the members of the team to perform the most diverse tasks that belong to the team, receiving, this way, a kind of self-training.

7.6 *Learning Action (“Action Learning”; “Learning by Doing”)*

As its name suggests, learning action is a way of learning based on the action and experience we are acquiring, or if we want to learn by doing (hence also called learning by doing). This process of learning action is based on the principle that the problems that are felt within the organization are a great way to learn, especially as these problems are being addressed and solved.

It is through the analysis of the action that is developed to solve the different problems that people (the apprentices) seek to broaden their range of knowledge about that problem and, therefore, to focus on its improvement.

The core of all forms of learning action is based on the principle that they can be conceptualized as a strategy in which people learn from joint reflection as they are confronted with problems in small groups, seeking acceptable solutions for them.

To emphasize that what distinguishes the approach of learning action is exactly the fact that the exchange of perspectives necessary to achieve common sense is itself a mechanism for learning. In fact, exchanging ideas, clarifying interpretations, and valuing the others contributions, is a great way for workers to broaden their

knowledge base, thus achieving the desired solutions more easily and, in this way, promoting their own development.

7.7 Organizational Learning

Analyzed the “Learning Action”, we come across another form of human resource development such as organizational learning. With respect to this matter, what is happening is that in our days it is becoming increasingly critical that organizations develop processes of continuous learning. Indeed, organizations must learn quickly, and at the same time be able to adapt to an environment in rapid and continuous change, otherwise they will disappear. The idea underlying this is that learning within the organization must be verified at an equal or even higher level to the change that is felt outside the organization. Otherwise the organization will most likely decline and may not survive [21–23].

The great rationale why organizations should promote continuous learning is that an extensive learning system gives organizations the best opportunity not only to survive in the competitive marketplace, but above all to achieve a good (and therefore successful) performance level.

8 Diversity in the Training and Development of Human Resources

In an age where there is so much talk about diversity, the organization human resources manager needs to pay attention to the diversity in the learning styles of the different groups of workers [24]. That is, although a particular learning style can not be specified for a particular gender or race, there are nevertheless factors that contribute to a unique learning style. These factors may include a person’s age, educational level, and cultural background. From all this it turns out that any group of trainees will have different styles of learning.

In order to meet these different learning styles, the trainer will have to determine the individual training needs and thus seek to work from them. This process can be developed by allowing to workers diverse and different ways of learning, such as providing readings, group discussions, resorting to movies/videos, etc. The idea that underlies this is that if they use different training approaches, more effective the learning process will be.

Do not forget that considering the diversity that underlies it, it is extremely important that a survey of the costs and benefits that underlie it is made.

With regard to costs, it is noted that accounting for the costs of a training program requires that we take into account the trainers salaries, training materials, travel costs, accommodation and meals costs, the trainee/worker’s own salary,

losses in production time, as well as, possibly, overheads costs (e.g., light, preparation, personnel, ...).

Likewise, it is also important that benefits are accounted for. In this sense, accounting for the benefits of a training program may include production increases, turnover reduction, absenteeism reduction, errors reduction, as well as quality improvements. Other benefits, not so easy to quantify, could be a better attitude, better motivation, capacity for greater flexibility in the work, more autonomy,

To reinforce that the training function in an organization requires knowledge of the learning theory. However, since training is, as we have seen, a continuous process, it is important that top management understands these concepts in order to become more effective in their role of leader, teacher, coach, and/or motivator.

8.1 The Learning Theory

A concept of the learning theory is whether it is important to understand the whole process of the workflow, or whether it is necessary to understand only the part most directly related to the worker. We are here in front of the concept of “the all versus the part”. The application of this concept can vary with the level of the job and with the capacity or interest of the worker. Normally, it is considered as a good theory of learning to allow the worker to see the picture as a whole, and how individual work contributes to it. And this becomes relevant to the extent that there may be times when the reference to the overall picture may have a strong motivational effect on the worker [12].

Another concept of the learning theory is whether it is more effective to learn the process in its entirety at once, or whether it is better to divide the process into more easily understandable segments. Once again, the application of this concept will depend on the complexity of the process, and on the capacity and level of interest of the worker. In general, it is considered a good learning theory to separate material into logical segments.

Yet another concept of the learning theory is whether to delay the application of what has been learned, or whether to apply it immediately. Again it is necessary to consider the complexity of the material as well as the practicality of the application. Generally, the sooner the employee applies all the knowledge he has learned, the more appropriate will be his execution (the more correct the execution will be).

Practice and repetition are other concepts of learning theory. What has been learned must be applied and repeated over and over and over again. Some people may call this “routine memory”; however, it is a basic concept of the entire learning process and can not be sub-emphasized if effectiveness is to be achieved.

When a person responds correctly to training, the trainer should reinforce that person’s behavior, positively, by recognizing his or her behavior. We are facing our well-known positive reinforcement.

Finally, and to finish, we can say here that another issue that manifests itself in the training process consists in the learning curve. On this issue, what happens is

that some workers learn fast, while others are slower. As a general rule, there is a greater accumulation of knowledge at the beginning of the training program, but as time goes on, future learning units decrease. The amount/level of learning is higher at the beginning, however, as time passes the amount of later/future learning decreases, since there is now a need to assimilate all the knowledge that has been learned. In this sense, the learning curve increases rapidly at first, but decreases at the end.

When the material/knowledge learned becomes more complex, the opposite may occur. That is, initial learning may be slow onset due to the difficulty of the material/knowledge, but as the worker develops a basic understanding, the longer time spent results in an increased learning.

In some learning cases, a combination of these situations can be verified. Learning starts slowly, and suddenly increases only becoming slow again in the later stages. This type of learning curve is, usually, the most often observed. At first the training material is new and unknown, so they learn slowly. Then, from the moment the trainee understand the fundamentals of the material, learning increases considerably. After that, and once the trainee try to apply and refine the learned material, the amount of learning is low.

In sum, the underlying idea is that the trainer should be constantly on the alert as to whether or not the content of the training material is appropriate; as well as should be alert to the characteristics of the behavior of the workers who will receive training. Both cases require continuous reappraisal and review if the training function is to be truly effective.

8.2 *By Way of Conclusion ...*

In view of the above, it is important to highlight and bear in mind that training and development are responsible for preparing workers for the performance of a given task; provide a personal development capacity to perform not only current jobs but also future jobs; as well as changing people's attitudes and behaviors.

Testing Your Knowledge

Answer the Following Questions as True (T) or False (F)

1. Through training we seek to improve the current performance of workers, increasing, through learning, their abilities and potentialities.
2. The development of personnel is relate with the identification of the short-term capabilities that result from the company's strategic plan.

3. In order to most effectively answer to the changes they are facing, organizations themselves also need to develop changes in the way they are organized, structured, in sum, in the way their tasks and all of their activities are developed.
4. HRM has to prepare the employees as best as possible to achieve organizational goals in order to increase productivity.
5. As key change agents or researchers, the key objectives of training and development practitioners are to establish appropriate systems, and to support structures that communicate, reinforce and institutionalize new behaviors, values and attitudes, and ensure that the sustainability of change efforts remains in the short term.
6. A method for identifying the organization needs in terms of training, is to do a four-level analysis and then determine whether or not there are needs for each of them.
7. The “know to know refers to the development of the tasks, aiming here to transmit to the trainee the key elements for the efficient execution of the tasks.
8. Role playing allows the improvised representation from a given situation, having the trainees to recreate the roles stipulated in that situation.
9. Coaching is nothing less than a management tool, which is used to guide and develop a worker’s career.
10. Learning action is a way of learning based on the action and experience we are acquiring.

Answers

1. True
2. False
3. True
4. True
5. False
6. False
7. False
8. True
9. False
10. True

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