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A CULTURALLY SYNERGISTIC APPROACH TO
INTERNATIONAL HUMAN RESOURCE
MANAGEMENT: IMPLEMENTING AN
INTEGRATED APPROACH

by
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A Culturally Synergistic Approach to International Human Resource Management: Implementing an Integrated Approach

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Abstract

An integrated approach to IHRM tries to create a HRM system with substantial global integration combined with local differentiation. How to successfully implement such an integrated IHRM approach is the focus of this paper. The literature indicates three issues that need to be addressed: finding the balance between global integration and local responsiveness, understanding the cultural embeddedness of HRM practices and assessing the underlying power dynamics. Our suggestion is a culturally synergistic approach to IHRM. This approach is being presented by identifying the crucial steps in the decision making process and discussing guidelines on when and how to intervene.

'Every suggestion from headquarters is seen as an order.' This expression is very often a good characterisation of the relationship between headquarters (HQ) and the affiliate units. Affiliate managers are confronted with global decisions that show no local familiarity, that are inconsistent across units, or with no rationale. However, if they themselves can define how global strategies need to be implemented, subsidiary top managers want an open process that is consistent and fair and that allows for their input (Kim & Mauborgne, 1993). International companies are therefore urged to pay more attention to how they make global decisions. The question of how to implement successfully a global strategy is not only an important issue for international strategy but also for international human resource management (IHRM). The following story about an international HRM decision illustrates very well the need to address this question.

A large U.S. based company acquired several years ago a small, successful Belgian company. While initially HQ managed the merger in a very decentralized approach, they recently moved towards a more centralized approach. The president of the company believes the global world has no geographical boundaries anymore and he is in strong favor of an integrated approach, not only in the core domain of R&D but also in HRM. Recently, corporate HR gave the Belgian HR department the message that the turnover in the Belgian plant was too low. It is headquarters' belief that a dynamic and result-oriented company has a turnover of approximately 15%. Because turnover in the Belgian affiliate was even lower than 5%, the Belgian HR department was informed about the following decision. They had to work out a performance appraisal system with forced choice in order to weed out the bad performers. All employees had to be evaluated during the coming year and the evaluation scores need to reflect a Gauss curve. Those employees who have the lowest scores will be presented with a choice: improve or be fired. The Belgian HR team hired a consultancy organization to implement the appraisal process. Currently, the results of this international HR decision are anxiety among most of the Belgian employees, an intensification of rumours and an increase in uncertainty about the position of the Belgian unit within the whole company.

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This paper addresses the question of how to implement successfully a global HRM decision. More specific, it focuses on the decision making process of an integrated IHRM system. In order to address this question, this paper will first discuss the basic issues driving IHRM decisions. An examination of recent IHRM models and literature indicates three important issues: a balance between local responsiveness and global integration, the cultural component of HRM practices, and the political component due to power dynamics. As these three issues are crucial, they need to be addressed when implementing an integrated IHRM system. In order to start developing such an approach, we rely on Adler's (1997) and Hoecklin's (1995) models of cultural synergy. Since cultural synergy stresses the benefits of differences, these models may provide us with the basic steps of how to successfully implement an integrated IHRM system. After a brief discussion of these two cultural learning models, we extend them by drawing upon Schein's (1999) process model of the stages of problem solving and by relying on insights from literature on multicultural teams (Adler, 1997; Janssens & Brett, 1997; 2000) and global strategic decision making (Kim & Mauborgne, 1993). It is the ambition to develop a culturally synergistic approach to an integrated IHRM system in which critical steps are being identified and guidelines on when and how to intervene are offered. To conclude, we discuss how the presented approach addresses the three main challenges of an integrated IHRM system.

Fundamental Issues driving IHRM

Tension between global integration and local responsiveness

Previous work on IHRM (Adler & Ghadar, 1990; Evans & Lorange, 1989; Milliman, Von Glinow & Nathan, 1991; Schuler, Dowling & De Cieri, 1993; Taylor, Beechler & Napier, 1996) has mainly taken a macro, strategic perspective focusing on the determinants of strategic international human resource management (SIHRM) systems in a multinational company (MNC). These models have increased our theoretical understanding of IHRM by discussing the linkages between SIHRM systems and critical determinants. In addition to strategy, organizational and contextual characteristics of MNCs have an influence on IHRM. Examples of these determinants are the industry in which a MNC is operating (Schuler et al., 1993), the MNC's

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international life cycle and experience (Adler & Ghadar, 1990; Milliman et al., 1991; Schuler et al., 1993; Taylor et al., 1996), the organizational structure (Schuler et al., 1993), the HQ's international orientation (Hedlund, 1986; Schuler et al., 1993; Taylor et al., 1996), the host country's cultural and legal environments (Adler & Ghadar, 1990; Milliman et al., 1991; Schuler et al., 1993; Taylor et al., 1996), and the resources or strategic role of affiliates and certain employee groups (Taylor et al, 1996).

Crucial in all these models is the postulated need for the SIHRM system to address the tension between the dual imperatives of global integration and local responsiveness (Bartlett & Ghoshal, 1989). This dual need refers to the need for interunit linkages (integration) and the challenges faced by each affiliate in order to operate effectively in its local environment (responsiveness or differentiation), sometimes referred to as the internal and external fit of a MNC (Milliman et al., 1991). In one of the most recent SIHRM models, Taylor and colleagues' (1996) have identified three different SIHRM orientations in MNCs: adaptive, exportive and integrative. These orientations determine the company's overall approach to managing the tension between integration or the pressure for internal consistency and differentiation or the pressure for external consistency. An adaptive SIHRM orientation is one in which the affiliates' HRM systems reflect the different local environments. Differentiation is being emphasized with almost no transfer of HRM philosophy, policies or practices either from the parent firm to its international affiliates or between international affiliates. Taylor and colleagues (1996) propose that this orientation is more likely to be adopted by MNCs who follow a multidomestic strategy, or if top management perceives that HRM competence is context specific. The second, an exportive SIHRM orientation is one in which the parent firm's HRM system is being transferred to its different affiliates. Integration is being emphasized with high internal consistency among all units and reflects as previous literature described an ethnocentric approach (Heenan & Perlmutter, 1979). The third, an integrative SIHRM orientation attempts to take 'the best' approaches and uses them throughout the organization in the creation of a worldwide system. The focus here is on substantial global integration with an allowance for some local differentiation. Taylor and colleagues (1996) propose that both an exportive and integrative

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orientation is more likely to be adopted by MNCs who follow a global strategy, or if top management perceives that HRM competence is context generalizable.

The cultural component

Besides the dual need for global integration and local responsiveness, another crucial factor, mentioned in almost all SIHRM models, is the cultural context of HQ and the different affiliates (Adler & Ghadar, 1990; Milliman et al., 1991; Schuler et al., 1993; Taylor et al., 1996). The cultural component of IHRM is the main reason that the same HRM policies will not produce the same effects in different subsidiaries (Schneider & Barsoux, 1997). Practices with respect to selection, socialization, training, performance appraisal, reward systems and career development are all being influenced by differences in cultural assumptions, beliefs and values. Who to hire? What kind of socialization practices is acceptable? What determines career success? How important is individual versus team effort and result? All these questions are very likely to be answered differently in individualistic than in collectivistic cultures (Hofstede, 1980; Schneider & Barsoux, 1997).

Differences in cultural values reflect different assumptions about the nature of the relationship between employers and employees and therefore lead to different interpretations and employees' experiences of what 'good' HRM practices are. Consequently, cultural differences are main drivers in deciding which HRM practices can be globally used and which HRM practices need to be locally adjusted. Going back to our initial story, a 5% turnover in a company is not a low figure in the Belgian context. Employment relationships in Belgium are characterized by a psychological contract form of high loyalty, low exit. On average, 96% of employees stay in their same job position, an estimation that confirms the preference of Belgian employees for job stability and security. Also most Belgian employers favor long-term relationships offering in general long term, open-ended contracts (Sels, Janssens, Van den Brande & Overlaet, 2000). Given this high company-employee bonding, it is perfectly understandable that a performance appraisal procedure with a threat of lay-offs leads to negative reactions among Belgian employees. Even more, it is very likely that the implementation of this HR policy as decided by U.S. headquarters will lead to a lower

commitment towards company goals, instead of the intended HR outcome of having a dynamic and result-oriented workforce. Understanding the cultural embeddedness and appropriateness of HRM practices is therefore a first vital step in avoiding the possible alienation or low morale which comes from imposing HR policies that are ill-suited to the local culture (Schneider & Barsoux, 1997). Even if other determinants such as a global strategy favor an exportive orientation of IHRM, the cultural component of HRM always seems to indicate the need of raising the question whether local adaptation is necessary or desirable. The pitfall of an exportive IHRM approach is ignoring cultural differences, which leads to ethnocentrism and feelings of rejection.

While the culture component is important in HRM, it can not lead to the simple conclusion that an adaptive IHRM orientation is the 'best' solution. An adaptive IHRM approach may be completely in tune with the cultural environment, but when each local unit determines its own policies, other disadvantages may occur. Similar to disadvantages of a global organization (Schneider & Barsoux, 1997), an adaptive IHRM approach may bring a lack of coherence and duplication of effort. Because each HR department is developing its own, complete HR policy, there may be no attention to synergies, learning from each other or economies of scale. The segregation of the different HR department may furthermore bring the danger of becoming competitors and protection of own interests.

The political component
Besides culture as a critical factor in deciding the degree of local differentiation, the discussion of the need for local responsiveness is likely to hide a political subtext (Schneider & Barsoux, 1997). Since each party wants to reserve the power and autonomy to do things as they see fit, cultural differences may be used as an excuse, a pretext for retaining local control. Such underlying power dynamics will especially drive the discussion if power relationships between the parties are changing (Janssens & Brett, 2000). In our example, the Belgian subsidiary considered itself as a local innovator and therefore claiming an important strategic role within the whole company. The expected freedom and influence coming along with this strategic position was consistent with the decentralized management approach of the past. However, the

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recent centralized approach is a threat for the autonomy and control of the Belgian unit. If there would have been a discussion about the cultural appropriateness of the performance appraisal procedure, it is likely that the Belgian HR managers would have used culture as a reason for developing its own system, claiming at that moment also back their autonomy. The advice from Schneider & Barsoux (1997) is to approach comments such as 'but that will never work in Belgium' as subjects for dialogue rather than accepted as a given. Consequently, important skills for international HR managers are to assess not only the cultural implications of HR practices but also the underlying political concerns (Schneider & Barsoux, 1997).

To conclude, the IHRM literature seems to stress three important challenges. A first, major challenge for IHRM, is to determine where policies need to converge, where variety may prove more beneficial, and what local practices might be well-suited for global diffusion (Schneider & Barsoux, 1997, p. 129). These decisions may lead to a balance between global integration and local responsiveness. A second challenge is to understand the different cultural assumptions embedded in HRM policies and evaluating their likely impact. Being able to assess the cultural context is crucial in deciding which HR policies can be globally exported and which need to be locally adapted. A third challenge is to correctly assess the political concerns that may influence the discussion of where integration is possible and where local responsiveness is needed.

Having identified these challenges, the question arises of how to implement an integrated IHRM system that addresses these concerns. The existing literature seems to offer us very little suggestions. Although rather general, Schneider and Barsoux (1997) suggest two helpful ways. One way to balance between global integration and local responsiveness is to increase the breath of discretionary zone regarding implementation of HR policies. The overall policy is being set globally but there exists freedom for creative interpretation locally. Another, more ambitious, approach would be to try to seize the opportunity of mutual dialogue to experiment with creative variations. Schneider and Barsoux (1997) suggest that the pursuit of divergent initiatives around an agreed-upon theme may be the key to strategic flexibility and learning. These deviations should not be killed off but allowed to run their course,

then assessed for viability. Those retained can then be considered as candidates for global diffusion. In this paper, we would like to explore how a process of experimenting with creative variations might look like.

Models of Cultural Synergy

One way of experimenting with creative variations as a way to achieve a balance between global integration and local adaptation may be grounded in models of cultural synergy. According to Adler (1997, p. 108): "culturally synergistic organisations reflect the best aspects of all members' cultures in their strategy, structure and process without violating the norms of any single culture." Synergies are the benefits resulting from a decision that integrates differences and creates a resolution that has more value than would be produced by a compromise solution. Managers in synergistic organizations do not ignore cultural differences nor do they approach culture as a problem to be solved. Instead, they use the cultural diversity as a key source in solving problems or achieving outcomes. Implementing an integrated IHRM approach according to the philosophy of cultural synergy may therefore be a useful way to achieve an IHRM system that supports the organizational strategy as well as is acceptable to all affiliates.

The idea of cultural synergy can be found in the work of both Adler (1997) and Hoecklin (1995). While Adler takes a problem-solving approach to cultural synergy, Hoecklin adopts a value-added perspective on culture. I will briefly discuss the two approaches and then move to the applicability of this line of thinking for IHRM. Adler's (1997) synergistic approach to problem solving involves three fundamental steps: cross-cultural situation description, cultural interpretation, and cultural creativity. Global managers first define the problem or describe the situation from the perspectives of all cultures involved. Second, they culturally interpret the situation by analyzing and explaining the patterns that make each culture's behavior logical from within its own perspective. Third, they develop new culturally creative solutions that foster the organization's effectiveness and productivity without violating the norms of any culture involved. They refine the solution based on multicultural feedback.

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In her value-added perspective, Hoecklin (1995) argues that managers from each culture must jointly work through the following steps: 1) agreeing on the specific outcomes that are desired from the interaction; 2) understanding each culture's way of doing things in trying to achieve the outcome; 3) agreeing to an approach or create new alternatives, blending approaches which will lead to achieving the desired outcomes; 4) implementing the solution and reviewing the impact from a joint perspective; and 5) refining the solution based on multicultural feedback.

While the two models differ from each other in terms of starting the synergy process with a problem to be solved or a desired outcome, their overall philosophy seems very similar. Both authors stress the creative potential of cultural differences leading to new solutions and approaches that transcend the existing differences. Important in this process of developing culturally synergistic solutions are the assumptions of equifinality and cultural contingency (Adler, 1997). Employees and managers using synergistic approaches believe that 'there are many culturally distinct ways of reaching a same goal (equifinality), but neither is inherently superior to the other (cultural contingency). They believe that creative combinations of all different ways produce the best approaches to organizing and working. So, only in those cases in which organization members explicitly recognize the concept of culture can the response to cultural diversity be synergistic. Furthermore, finding creative combinations that transcend differences requires flexibility and open mindedness (Schneider & Barsoux, 1997). It is through a flexible mind that one has the ability to benefit from local thinking and to reemploy these ideas in other parts of the world, adapting them to new circumstances.

Implementing such a synergistic approach is a systematic process at an operational level. An organization might address cultural differences at a strategic level by taking decisions that signal the importance of culture. Examples of such strategic decisions are internationalizing the management team, selecting expatriates from all over the company instead of only from headquarters, or setting up cooperation between affiliates. Such strategic interventions are important and valid steps since they encourage the meeting of two or more cultures. But companies are advised to move beyond such type of tolerance and cooperation and to begin to build cultural synergies

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at an operational level (Hoecklin, 1995). While operational, this process of a synergistic approach is not a quick fix, but instead a systematic process (Adler, 1997). In introducing culturally synergistic problem solving or value adding to an organization for the first time, the process must be addressed explicitly and formally through workshops, seminars and structured meetings. The process should also be seen as a continuing, evolving process rather than an isolated event to solve a particular problem. Later, such synergistic processes will become more implicit, more informal, and considerably less time-consuming since the learning acquired during initial sessions will become part of the organization's increasingly global perspective and cross-cultural competence.

Going back to the three different IHRM orientations of an exportive, adaptive and integrative approach, it is only an integrative approach that may have the potential of a culturally synergistic approach to HRM. The two other approaches, an exportive and an adaptive orientation, seem to ignore the possibility of cultural learning. In the exportive approach, the parent firm's HRM system is being transferred to its different affiliates. The downside of this approach is its inflexibility, ignoring the possible cultural differences and therefore having missed opportunities with respect to learning. In the adaptive approach, each affiliate uses its own HRM system with no transfer between HQ and the different affiliate. Since HRM systems are segregated from each other, one misses out on the potential benefits of learning from each other and utilizing the cultural differences. An integrative approach, on the other hand, may have the potential of cultural learning. This IHRM orientation, which allows for an affiliate's input and adaptation, represents shared decision-making responsibility between the parent company and the affiliate for the design of the IHRM system.

The culturally synergistic approach to an integrated IHRM presented next is both an extension of and an addition to the previously discussed cultural synergy models. Building on the basic steps of cultural learning, we further draw on theoretical insights from international management studies, more specific on transnational teams and global strategies, and from process consultation. These insights help to refine the critical steps and conditions and to offer suggestions of how to implement a synergistic approach that addresses the three previously identified concerns of IHRM: the dual

need of global integration and local responsiveness, the cultural embeddedness of
HRM practices, and the political concerns of the different company units involved.

A Culturally Synergistic Approach to an Integrated IHRM

The purpose of our approach is to offer IHR managers guidelines of how to implement
a process through which an integrated IHRM system may be realized. While the
cultural synergy models (Adler, 1997; Hoecklin, 1995) already identify the different
crucial steps, we extend them by drawing upon Schein's (1999) process model of the
stages of problem solving. This model discusses the different task processes in groups
and identifies common traps from a process perspective. Because of this emphasis on
the process, Schein's model offers us guidelines on when and where to intervene.
Additionally, we draw upon insights from transnational teams (Adler, 1997; Janssens &
Brett, 1997; 2000) and global strategies (Kim & Mauborgne, 1993). Since the
implementation of a culturally synergistic approach to IHRM will take place at the
operational level by workshops and meetings, the studies on international teams will
help in identifying the conditions of how to ensure a meaningful participation among
the different HR managers. The principles relevant for a fair global strategic decision-
making process will offer us additional insights in how to set up a fair decision making
process.

Following Schein (1999), the culturally synergistic IHRM model, as presented
in Figure 1, distinguishes two basic cycles of activity - one that occurs prior to any
decision or action, and one that occurs after a decision to act has been taken. The first
cycle consists of five stages: 1) felt need for an integrated IHRM practice, 2)
developing an superordinate goal, 3) exploring best practices of different cultures, 4)
assessing the cultural appropriateness of solutions, and 5) decision making by
consensus. The second cycle then involves 6) taking action steps, and 7) evaluation of
the outcomes of the action steps. In each stage there are common traps. Awareness of
these traps can help IHR managers to focus on conditions and interventions that
overcome these traps and that stimulate constructive working relationships leading to
creative combinations of HRM practices.

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Insert Figure 1 About Here

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Cycle 1: Deciding on the integrated HRM practice

      1. Felt need for an integrated IHRM practice.   The company's strategy and top management's belief about the usefulness of sharing HRM practices are two possible determinants why a MNC will decide on an integrated IHRM system (Taylor et al., 1996). While this decision may be strategically correct from a HQ's perspective, the different affiliates may have another opinion about its need or relevance. A first difficulty is therefore the acceptance of this decision by the affiliate HR managers. HR managers from HQ can overcome such feelings of reluctance by trying to make the decision process as fair as possible. When local HR managers need to be committed to an integrated HR practice, it is necessary to involve them in developing global plans. Subsidiary managers value therefore the ability to voice their opinion and work back and forth with corporate HR in decision formulation (Kim & Mauborgne, 1993). If a two-way communication process is not possible, at least an explanation for the final decision needs to be given. Affiliate HR managers need an intellectual understanding of the rationale how this decision will support specific organizational strategies or develop the corporate culture. This is especially true if those decisions override their own expressed views or when they seem unfavorable to their own unit. When one understands why final strategic decisions are made as they are, people are inclined to implement those decisions even if they don't particularly view them as favorable (Kim & Mauborgne, 1993). In our story of the U.S.-Belgian HR case, this first step was ignored. Corporate HR didn't explain to the Belgian HR team why and how a dynamic and result-oriented workforce is linked to the company's strategy and/or culture.

      2. Developing a superordinate goal. Understanding why an integrated IHRM practice is needed, the different HR managers then need to jointly determine the desired outcome. Agreeing on a specific target or desired outcome is one of the most difficult steps since the differences between the HR managers may interfere with doing so. Advice to overcome these differences is that the group must find or the leader

must help the team agree on a vision or superordinate goal. Superordinate goals are often defined broadly, giving only general direction - goals that incorporate the team members' differences (Adler, 1997; Janssens & Brett, 2000). A helpful intervention to formulate a superordinate goal may be to use a problem-oriented approach instead of a solution-oriented approach. A problem-oriented approach presents the task as an open challenge, providing the team members with information about the situation, asking for their help in solving the question. The advantage of such an approach is its divergent nature indicating that no right answer exists a priori. Heterogeneous groups, as is the case here, perform better on divergent tasks than homogeneous groups since the differences of the group members may lead to more alternatives, better solutions and therefore a better decision. In contrast, a solution-oriented approach has a convergent, reductionistic characteristic. This convergent nature is likely to lead to disagreements among the different team members since the solution may interfere with the different perspectives of the team members. It is homogeneous groups that perform better on convergent tasks since there is a higher degree of consensus on ideas and action plans.

Going back to our story, corporate HRM used a solution-oriented approach. They decided that a performance appraisal system with a possibility of lay-offs was the way to achieve a dynamic and result-oriented workforce. Although local HR management accepted - or had no choice in accepting - this decision, they didn't show much commitment to implement it since they hired a consulting organization to do so. Another, more fruitful way intervention from corporate HRM would be to develop together with the Belgian HR managers - as well as other local HR managers - a superordinate goal that incorporated different ways of achieving a dynamic and result-oriented workforce. An example of such an overall goal can be achieving a dynamic and result-oriented workforce, the felt need for an integrated IHRM practice itself -. Or the desired outcome can be more refined into a specific HRM area such as identifying an appraisal system, a reward system or a combination of both HR practices that will lead to a dynamic and result-oriented workforce.

3. Exploring best practices of the different cultures. Once the superordinate goal is agreed upon, the group HR managers can move on to producing ideas or courses of action that might lead to the desired outcome. A most likely pitfall in this

step is that proposals are evaluated right away and that the group lapses into debate instead of developing a dialogue format (Schein, 1999). If the group starts an early evaluation and start raising questions that highlight what is wrong, the groups fails to look at a whole array of possible ideas for a desired outcome. One way that might help here is to adopt an appreciative orientation. If the group starts with an appreciative orientation, it will be more likely to follow up with questions that emphasize what is working and appreciating what is in each culture (Barret & Cooperrider, 1990; Cooperrider & Srivastva, 1987). The purpose of this step is therefore to explore best practices from each culture that are possibilities for a solution. In our example, corporate HRM could have asked the Belgian unit to describe positive incidents when the Belgian employees went the extra mile to deliver, to achieve the results. An analysis of these incidents in terms of HRM practices supporting the outcome can lead to a proposal of what might be an effective HRM approach in a Belgian context.

Another, most likely, pitfall in this step of exploring possibilities is that the group is being dominated by one person or a subgroup. However, dominance by an individual or subgroup is generally counterproductive in an international team, because it stifles the contributions of non-dominant, low status team members (Janssens & Brett, 1997). This is a problem for the team, not just for the team member dubbed as low status. Inputs of perspectives are decreasing and therefore also the possibility of learning. Since teams generally produce more and better ideas if all members participate, equal power or power according to each member's ability to contribute to the task is an important condition of stimulating synergies in multicultural teams (Adler, 1997). International HR teams or the team leader are therefore advised to install mechanisms through which all parties are able to express their perspectives. In general, the team needs to decide on a principle that creates opportunities for every party to speak up and be listened to. Although the principle is general, the specific rules need to be designed by the team itself and can take different forms. An example can be found in the Body Shop where there is a 'hard' rule that governs every meeting. This rule states that if conversations become heated, people make a circle so no rank

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exists and pass a 'talking stick' to each other so everybody is listened to. It's a 'hard' rule meaning it is being used with no exceptions (Janssens & Brett, 1997; 2000).

A specific area of attention for multicultural teams is that of language (Janssens & Brett, 2000). Personal power and status within the team is often linked to linguistic fluency. The choice of the team's common language or the lingua franca can not be considered to be a neutral decision since members' fluency with the lingua franca will impact their capability to join and influence the internal team process. Although English is generally the business language in international teams, it is very often the native language of only a few team members. Team members' fluency will differ and consequently their capabilities to join and influence the team process. Since there is a tendency to judge others based on their language fluency (Louw-Potgeiter & Giles, 1987), admitting a failure to understand requires a great deal of confidence. Thus, team members who are not fluent are also not likely to have status in the group. The difficulties of overcoming both a language deficit and a status deficit are likely to be overwhelming. Members in this position are unlikely to even try to participate in team decision making. One way to deal with differences in languages is to develop rules for speaking up and asking for clarification. Setting rules or agreeing on how the group will deal with lack of understanding will make people more confident to ask for clarification when they don't understand (Janssens & Brett, 2000). Addressing language differences in an explicit way may guarantee more equal contribution. Furthermore, one gives the signal that one is aware of differences in working language fluency. This act in itself is a crucial sign of respectful treatment and is likely to stimulate cooperation and trust among the team members.

Besides language, a member's status is being influenced by the status of the affiliate that the team member represents (Janssens & Brett, 2000). Affiliates within a MNC can be expected to have differential status or power associated with competitive position, financial performance, innovation, contribution to market share or profitability within the global organization. Therefore, HR managers from high status units may expect to or be expected to dominate the group. In order to achieve a more equal power balance, the team or team leader may decide that the HR managers with a low status start presenting their best practice of achieving the desired outcome. That

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an appreciative approach can be helpful in establishing an equal power balance was illustrated by an example given by one of the participants of a workshop on appreciative inquiry[1]. This woman was responsible for managing a network of mayors from large cities all over the world to improve the organization of cities by addressing issues such as crime, pollution, safety. Because the power dynamics in this network were very much determined by the distinction of the rich North versus the poor South, she decided to let a mayor from a poor city in the South start the dialogue. The positive experience told by this low status member increased the willingness of the high status members to listen to this alternative and stimulated a culture of equal contribution. So, allowing low power members to first present their best practices may create a more equal power balance.

4. Assessing the cultural appropriateness of the solutions. Once a number of ideas for a solution have been proposed, it is necessary to forecast and evaluate the consequences of adopting a particular solution. This process is often difficult because the criteria the group should be using to do its evaluating are either not clear or there is disagreement on which ones to use (Schein, 1999). In the context of deciding on an IHRM practice, one important criterion is the cultural appropriateness of implementing the HRM practice in the local unit. Important is also to take enough time to assess the cultural fit since groups typically fail to allow enough time to evaluate the various ideas that they have produced (Schein, 1999).

In our example, the Belgian HR team together with corporate HR might test out a particular HRM practice that they think is likely to lead to commitment to results. They can do so for instance by organizing focus groups, asking line managers and employees for their inputs on the proposed decision. This stage may lead to a reformulation of the superordinate goal since the input from other parties data may question certain assumptions or alternatives previously taken for granted. Although the iterative nature of this step may take longer and initially appear to be inefficient, failure to evaluate the proposed HRM practice is otherwise likely to lead to rejection in the implementation phase.

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[1] 4-day workshop on Appreciative Inquiry, October 1996, organized by Taos Institute with David Cooperrider & Diane Witney.

5. Decision making by consensus.   Cycle 1 ends with the group making a decision to move forward on an action item. Fundamental to synergy is a decision rule that requires a large proportion of the team's members to agree to the decision, either 2/3 majority, consensus, or unanimity (Brett, Forthcoming). Seeking consensus is also from a process perspective recommended as one of the most effective but also time-consuming methods of group decision making (Schein, 1999). Consensus doesn't need to mean unanimity. Rather it is a state of affairs where communications have been sufficiently open, and the group climate has been sufficiently supportive, to make all members of the group feel that they had a fair chance to influence the decision (Schein, 1999, p. 162).

In order to ensure decision making by consensus, the international team of HR managers can develop a decision rule. By defining how many or which team members must agree for the team to reach a decision, the team sets an integration norm. This norm forces majority members to pay attention to the views of minority members. Important in implementing this decision rule in multicultural teams is cultural appropriateness and meaning (Janssens & Brett, 2000). Members may agree on consensus as a decision rule but disagree about what consensus means. For example, while HR managers from egalitarian cultures may be used to discussing options until a consensus is reached, HR managers from hierarchical cultures may be used to discussing options with higher level managers until a consensus is reached. The members from hierarchical cultures may view prolonged discussion with insiders as inappropriate since it is the outsiders who need to approve. The members from egalitarian cultures may view discussions with outsiders as vacating their duty as a team. An integrative solution to this dilemma would be that preliminary internal consensus is followed by external consensus, followed by final internal consensus, or some other pattern that mixes internal and external consensus. Since a synergistic approach to IHRM means involving different HR managers from different cultures, the specific decision rules need to reflect these meanings.

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Cycle 2: Acting, evaluating, and reformulating

6. Taking action steps.   As the group reaches some consensus on a proposed solution and makes a decision to act, we go into cycle 2, the action cycle. Although a decision is being made, the process is far from finished. The group HR managers must still plan a detailed course of action. Taking action steps, one of the major pitfalls of this stage is to make general plans without assigning clear responsibilities to specific members for specific actions (Schein, 1999). Another danger is that the implementation is delegated to some other person or group in the different local affiliates. This may not be a sound approach since this person or group has not been involved in formulating the superordinate goal and exploring and assessing the different alternatives. They may feel less committed to the solution or experience the proposal too unclear to permit implementation. Therefore, ideally the HR managers involved in the decision cycle are also responsible for the action cycle. If that is not possible, implementers should be brought into the decision process at the earliest possible stage, or, at least, they should be completely informed about the discussions and decisions made in the previous steps (Schein, 1999).

7. Evaluation. To ensure adequate evaluation, the group should, in advance of taking action, reach consensus on how they will determine whether or not the action steps are achieving the desired outcome (Schein, 1999). This means they need to decide on the standards and the criteria for evaluation. This step is likely to be especially important for HQ since corporate HRM will want to evaluate whether or not the implemented HR practice can serve as the integrated IHRM practice, supporting the MNC's strategy. The advantage of establishing control by HQ in this way is that local HR managers are likely to experience the measuring and monitoring system as fair. They agreed upon it in advance after having jointly decided on the HRM practice to be implemented.

Consistent with the culturally synergistic logic, this evaluation step means that the solution is being refined based upon multicultural feedback (Adler, 1997; Hoecklin, 1995). This may involve modifying the HR practice to fit the cultures and the desired outcome better. This feedback process may however imply that the group needs to reconsider what is formulated as the superordinate goal. The group should therefore

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be psychologically prepared to do back to this initial step before rushing into other solution alternatives.

Conclusion

This paper has presented and discussed a culturally synergistic approach to an integrated IHRM system. The purpose of this approach is to address the three major issues of IHRM as discussed in the literature. An integrated IHRM approach is confronted with the challenges of finding a balance between global integration and local responsiveness, understanding the cultural embeddedness of HRM practices, and correctly assessing the political concerns of the affiliate units. The underlying logic of the culturally synergistic approach as well as the suggested interventions when trying to implement this approach seem to provide a possible way of dealing with these three challenges.

Most scholars in IHRM (e.g. Taylor et al., 1996) tend to link the global-local duality to the discussion of HRM competences and practices that are context generalizable or context specific. When HRM practices are generalizable, affiliate practices can be transferred to the parent company and vice versa. When HRM practices seem to be context specific, no transfer can occur. Following this logic, an integrated approach of IHRM combines both characteristics of the parent company's HRM system with those of its affiliates (Taylor et al., 1996). This discussion of context generalizable or context specific presents us with an either/or question. In contrast, a cultural learning model stresses the possibility of mutual dialogue leading to creative variations of HRM practices. Instead of simply transferring practices, a culturally synergistic approach to IHRM can create new practices by recognizing and transcending the individual cultures. IHR managers may find a balance between global integration and local responsiveness when they explore best practices of different cultures, try to understand how these practices lead to the desired outcome and then try to create new alternatives by blending and combining practices. So, the challenges of the dual global-local need and the cultural embeddedness of HRM practices can be dealt with exactly by utilizing and valuing cultural differences instead of approaching these cultural differences as a problem to be solved.

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In establishing an integrated IHRM practice, interventions that address power dynamics are crucial. An integrated approach may lead to feelings of rejection by local HR managers because they may experience a loss of autonomy. In order to address this concern, the presented approach stresses as much as possible a jointly decision making process. The initial steps - the need for an integrated IHRM practice and the development of a superordinate goal - involve interventions which respect different inputs and perspectives such as two-way communication between HQ and the affiliate units, an explanation for the final decision, and taking a divergent approach in formulating the desired outcome. Also the advice to agree in advance on the criteria of evaluation reflects the philosophy of jointly decision making.

Just as local HRM is reluctant to give up an adaptive HR approach, so may corporate HR be reluctant towards an integrative approach. They may not be likely to give up an exportive HR approach if they experience an integrated approach as a loss of control. The presented approach tries to address this concern by taking the strategic reasons for an integrated IHRM practice as a starting point and by evaluating at the end of the implementation process whether or not the chosen solution can serve as the integrated IHRM practice, supporting the MNC's strategy. So, control in this model doesn't mean imposing decisions but is a process of feedback and monitoring. In this sense, corporate HRM may still experience a loss of control if for them control means also controlling the content of the decision.

The importance of power dynamics is also being considered within the group HR managers itself. Because equal power is an important condition for stimulating synergies, the group process itself will benefit from mechanisms that stimulate contribution to each member's ability. Therefore, the group HR managers will adviced to develop rules to deal with differences in language fluency, allow low power members to first present their best practices, and set the decision making rule of consensus.

To conclude, this culturally synergistic approach to IHRM may have important implications for the role of HRM within a MNC. By implementing this approach, HR managers become actively involved in creating an organization that values cultural differences. They help guide their organization toward a less ethnocentric worldview,

and to a more inclusive worldview. In this sense, IHRM may become an important actor in the process of organization development.

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Figure 1: Creating a Culturally Synergistic Approach to IHRM

Steps   Supporting Interventions

1. Felt need for an integrated HRM practice

Two-Way Communication between
Headquarters and Affiliate Units
An Explanation for Final decision

2. Developing a Superordinate Goal

Divergent Problem-Oriented Approach

3. Exploring Best Practices of Different Cultures

Apply an Appreciative Perspective
Develop Rules for Equal Contribution
Address Language Differences Explicitly

4. Assessing Cultural Appropriatenesss of Solutions

Take Time to Evaluate
Involve Parties Responsible for
Implementation

5. Decision Making by Consensus

Agree on the Meaning of Seeking
Consensus

6. Taking Action Steps

Set Clear Responsibilities
Involve Implementers Early or Review
All Steps with Them

7. Evaluating the Implemented HRM Practice

Determine In Advance the Criteria
Review the Solution Using Multicultural
Feedback