

## Global integration without expatriates

Jaime Bonache, *Universidad Carlos III, Madrid*

Julio Cerviño, *Centro Internacional Carlos V, Madrid*

**T**he literature on international human resource management (IHRM) has emphasised the critical role of expatriates for the first-stage and further development of the internationalisation process of corporations (Kobrin, 1988; Brewster, 1989). This occurs either because the process is based on the transfer of resources and capabilities to other markets (Penrose, 1959) – with many of these competencies embedded in domestic human resources (Pucik, 1992; Teece, 1982)<sup>1</sup> – or because of the very nature of the process, which forces the corporation to develop a cadre of international managers to perform coordination and control functions (Edstrom and Galbraith, 1977).

The main roles of expatriates in multinational corporations, as highlighted by Brewster (1989), are establishing foreign operations; enhancing company and country reputation and image; management development; coordination and control; and coverage for the lack of local talent. Other authors have added that the particular roles of expatriates will depend on the international strategy of the corporation (Edstrom and Lorang, 1984; Schuler *et al.*, 1993).

International strategies can be divided into three main types: domestic, multidomestic, and global. The domestic firm expands its market to include other countries, but retains production facilities within domestic borders. The multidomestic firm has operations in many countries, each serving its own market; its ability resides in responding to local market needs. The global firm operates on a global scale in order to achieve economies of scale and to spread development costs over a larger area.

A very deterministic approach is assumed, according to which there is a correspondence between different types of international strategy and HR staffing policies. Thus, while a multidomestic firm fills subsidiary positions with local managers (making use of expatriates mainly if there is lack of local talent), a domestic firm uses expatriates from headquarters, whose main role will be to control operations. Finally, a global firm develops a geocentric approach to staffing, according to which subsidiary and headquarter's positions are filled on the basis of skills and abilities rather than nationality (Perlmutter, 1969).

However, the recent literature on international management has adopted a 'process approach' (Pralhad and Bettis, 1986; Hamel and Prahalad, 1989; Bartlett and Ghoshal, 1989), in which internationalisation and international competition are seen as cognitive processes or mental constructs shared by the 'dominant logic'<sup>2</sup> of the organisation. This new approach entails a non deterministic view in relation to environment, strategy and staffing.

The defenders of this vision reject the existence of an objective environment that exists independently of organisations. Instead, companies constantly act on the environment through their directors, and interpret and attribute meaning to their actions (Weick, 1979). Strategies are not formulated by rational decision-makers based on an objective analysis of the environment, but rather by managers that rely on their own mental pictures of the world, providing them with a vehicle for socially constructing reality (Salancik and Pfeffer, 1978). Similarly, this dominant logic will also shape the direction of international staffing

policies. Consequently, it will be possible to find firms with the same type of international corporate strategy but different international orientations to staffing, and whose expatriates can play a wide variety of roles depending on the way that the dominant coalition view the world and guide their organisations. It will also be possible to find different types of corporate strategies adopting the same international staffing orientation (Kobrin, 1994).

This approach converts the traditional framework of antagonistic pressures of global integration and local adaptation (Buzzell, 1968; Porter, 1986) into an essential target of analysis, where individual managers of a multinational firm are used as the basic reference units (Melin, 1992). In this respect, Doz and Prahalad (1987) define the problems faced by multinational managers as a 'challenge of controlled variety', which consists of combining *strategic control* – centrally coordinating and planning strategic actions to respond to the need for multinational integration – with *strategic variety*, permitting a measure of autonomy to subsidiaries that allows them to better adapt to the cultural, legal and competitive conditions of the different markets. Along these lines, Bartlett and Ghoshal (1989, 1992) argue that in the current context, multinational firms have to respond simultaneously to three fundamental challenges – global integration, local adaptation, and organisational learning – which involve formulation of a transnational strategy by the company.

From this new process approach, the importance of international managers is still emphasised. Indeed, it is argued that the development and use of a pool of expatriates, who act as an 'international glue' to control and coordinate the organisation, can be a vital mechanism to respond to the challenges faced by transnational companies (Bartlett and Ghoshal, 1989; Doz and Prahalad, 1981). According to Melin (1992), the approach is still in an initial stage of theoretical research and empirical verification – furthermore, the new vision requires a methodological approach focusing on in-depth analyses of international corporations, in order to discover the states of mind that shape the dynamic process of corporate internationalisation.

This paper will develop such an analysis, attempting to answer two different but related questions: *What factors explain the expatriate policy of a company?*; and *How is the managerial team (the dominant logic) able to develop a transnational strategy without making use of expatriates?* Answers will be drawn from an empirical study of Zara, a leading Spanish transnational clothing and textile company, with sales volume in excess of \$US 1.4 billion, and with subsidiaries in several countries in Europe, North America and Asia.

The paper is divided into three parts, following the three main goals of transnational companies. First, the global integration of activities in Zara is presented, with a discussion of its distinctive competence. Secondly, the way in which Zara adapts to different geographic and cultural environments will be discussed, analysing, from the process approach, the reasons why the company does not make use of expatriates. Finally, the mechanism by which the firm develops its organisational learning without expatriates is examined.

---

## TRANSNATIONAL APPROACH

---

### **Global products**

Zara was set up in 1975 as a retail clothing company with a single location in the city of La Coruña, northwest Spain. By 1989, the company had 98 retail shops and production facilities distributed around Spain, and in the same year the company started its international expansion by opening a shop in Lisbon, Portugal. Today, its retail chain has nearly 200 owned

stores distributed throughout Portugal, France, Belgium, USA, Mexico, Greece, Germany, and Italy, purchasing operations in Southeast Asia and the Caribbean, and a finance holding company in the Netherlands.

Zara's distribution system is based on two main factors – working without stocks, and quick response to market needs. The first is achieved through a just-in-time production system in full coordination with all retail outlets. The second is based on an integrated marketing information system, where demand and fashion trends data is transmitted through the retail locations and international research teams to the company headquarters.

From the beginning of its international expansion, the company developed products for the global market, capitalising on and exploiting many of the benefits of international product and brand uniformity, such as product development and manufacturing costs, logistics and inventory costs, international diffusion processes, and consistent product and brand image in foreign markets. Zara targets the same global market segment in all countries. Only the sizes of the segment vary from country to country, depending on demography, income, cultural and social factors.

The development of global products is the full responsibility of the design department, which consists of three types of professionals from the areas of fashion, marketing and retail. Drawing on their different professional backgrounds, they decide through a multidisciplinary approach which global products to develop and launch, at what prices, the timing of the product launch, the quantity of the production run and what quantity of each product is to be shipped to what country. This decision-making process is based on the information they receive from the different countries and markets, through regular field research and computerised store data. Using this information, the company exclusively produces only those products that can be sold in all markets where the company has locations. The result is an international product line that can be found in all stores. The only difference will be the proportion of items in each store, which will depend on the specific demand for the item in each market and on other factors such as the weather.

Product policy is not the only centralised decision taken by the design department – it also determines the pricing for the various countries. All items carry an international price tag, showing the different prices in their respective currencies. The prices are globalised, taking into account the differences in local market conditions, the problems of potential parallel imports, and a uniform product positioning.

Once the department has decided the type of product, the price and the quantities that will fit their international network, the production process begins. This process includes all value chain activities, from the decision regarding product design, to the delivery of the final product to any of the international retail outlets; that is, purchasing of raw materials in international markets, capital intensive domestic production, domestic and international subcontracting of labour-intensive production activities, quality controls, logistics, warehousing and shipping. To complete this whole process takes Zara only 15 days. This is the distinctive competence of the company, in the sense that it is 'what the firm is able to perform with excellence compared to its competitors' (Nordhaug and Gronhaug, 1994).

Zara's distinctive competence satisfies all conditions attributed to the sources of sustainable competitive advantage (Barney, 1991; Dierickx and Cool, 1989; Reed and De Fillippi, 1990; Wright *et al.*, 1994). First, it is unique – no competitor has been able to complete the production and delivery process in such a short period of time. Secondly, it is relevant or valuable to customers – in fashion, customers place great value on the ability to buy the

latest fashion trends, and they know Zara offers them every 15 days. Thirdly, it is difficult to imitate. Zara's core competence is based on a set of resources and capabilities such as its international purchasing and subcontracting networks, its specifically designed 'just-in-time' system, its in-house developed technology, and its specific human capital and work system. These are determined by unique historical conditions, causal ambiguity and social complexity,<sup>3</sup> which make them very difficult for competitors to imitate. These cannot be acquired in the market place – the resources and capabilities on which its core competence is based are either legally protected through intellectual property rights or incorporated in their human resources, and can only be acquired through time, training and experience within the organisation. As Zara's general manager has pointed out: 'Nobody will be successful in trying to imitate what we do, because the real source of our competitive advantage can not be imitated.'

### **Local sensibility**

Since product and price policies are totally centralised for a global market place, Zara could run the risk of not being able to adapt itself to local sensibilities. A solution suggested in the literature is to adapt the different management policies to the subsidiaries' local environment, as culture plays a major role as a determinant of HR practices.

However, total adaptation of HR policies to the different cultural environments can have a negative effect on a firm's performance. From a cost point of view, it will imply an increase in development, implementation and control costs. Furthermore, total adaptation does not take into account the strategic role of HR policies. A particular policy can be essential for the maintenance and accumulation of the firm's distinctive competence (Lado and Wilson, 1994), in which case a high degree of standardisation is expected.

To solve this tension between local adaptation and global integration, the company's managerial team makes use of different mechanisms: centralisation, formalisation and organisational culture (Ouchi, 1980; Baliga and Jaeger, 1984; Martínez and Jarillo, 1989; Nohria and Ghoshal, 1994), so that the firm is able to achieve local sensibility without jeopardising the firm's core competence.

In relation to the centralisation mechanism, there has been a change in orientation in the headquarter's approach towards the subsidiaries regarding the work system and to the administration and marketing management of the subsidiaries. In the first years of internationalisation, Zara followed a very ethnocentric approach with the subsidiaries as replicas of the stores operating in Spain. The argument was that if the international segment and the product mix were the same, and if the store management system in Spain had procured good results, it would be logical to transplant the same systems wherever the company opened a new subsidiary. Thus, Spanish executives were sent to the different countries whenever a new store was opened, with the goal of establishing identical management procedures to those used in Spain.

However, this ethnocentric approach encountered unexpected problems; not because of the lack of technical suitability of headquarter procedures in the subsidiaries, but due to the diverse cultural idiosyncrasies of the various countries. As an example, when the company established the first store in France, Spanish executives quickly discovered that apparently small differences in French and Spanish managerial style became significant aspects for the management of the operation. Thus, the personal relations between the store manager and the employees had to be reviewed and adapted to French idiosyncrasies. Whereas in

Spanish stores, the communication flow and personal interactions between managers and employees were based on informal relationships, this did not work well with French employees who expected a formal and hierarchical relationship.<sup>4</sup>

These problems forced Zara to decentralise those elements of the 'work system' and marketing and HR areas – recruitment of local staff, employee participation in decision making, internal communication, sales promotion, advertising, merchandising, *etc* – that would allow the subsidiary to reach local sensibility without impeding the exploitation and utilisation of its core competence. Although the degree of decentralisation varies depending on the cultural distance, dimension and experience curve of the subsidiary, the company policy of implementing the highest degree of local sensibility is by recruiting local managers, who will be more capable of assuring that the aforementioned areas are locally adapted. Today, the company will not enter any market where it cannot find local management to carry out the full responsibilities of the subsidiary.

The selection criteria for local managers consist of looking for sector-specific professionals with high growth and performance potential, good communication and personal skills and a good understanding of the fashion business, both from a local and global perspective. The employment perspective is *long-term employment*, in order to increase the level of personal commitment and the specific human capital investment.<sup>5</sup>

For those elements that are vital to maintain its core competence, Zara needs to establish a rigorous control that limits the autonomy of local top management. This is accomplished through *centralisation* – *ie* in product design and development, price, selection of local management – and *formalisation* (logistics and inventory control, marketing information systems).<sup>6</sup> However, these two bureaucratic mechanisms are complemented by *socialisation* – the process through which local managers learn the set of shared values and norms which function as a common culture within the company. As for the corporate culture, the director of international operations explained: 'We only pretend to transmit our management philosophy, but in such a way that it is not seen as a cultural export that obliges everybody to do things the identical way.'

Regarding the management of the stores, such philosophy refers to reaching the highest customer traffic flow, high product turnover rate and excellent customer service. To be able to transmit and develop such philosophy in all subsidiaries, the company has three training centres in Spain where all local managers attend seminars and courses taught by multidisciplinary and multinational in-house teams, aiming to try to create a set of values to be shared by all company employees.

Even though the company's philosophy is for local management, the first stages of business development in a new market are carried out by a headquarter's manager on a temporary basis. Their responsibilities are essentially two-fold: setting-up the store, and seeking a local manager who will open and take over the management of the operation and responsibility for future expansion. The average time for the headquarter's manager to perform these two tasks varies from one to three months. In general, as the international director explains, 'These temporary managers try to achieve their goals as soon as possible, as they do not like to be far from home for long periods of time.'

Once we understand internationalisation as a process guided by a managerial vision which affects and is affected by the core competence of the firm, the standard reasons put forward to make use of expatriates do not seem to be applicable to the case of Zara. Such reasons include:

**1. Setting up foreign operations** According to the resource-based view (Barney, 1991; Dierickx and Cool, 1989; Wernerfelt, 1984), internationalisation is about leveraging resources and competencies from the domestic onto the international environment. Such competencies, which can be a source of sustainable competitive advantage, are not codified or written in manuals, nor are they in the balance sheet of corporations – many are embedded in human resources, have been developed through time and can only be acquired through experience and observation. Consequently, it is argued that when a firm decides to internationalise, the transfer of these competencies entails transferring employees to the foreign operations (Pucik, 1992; Teece, 1982).

The core competence of Zara is located in its production process. The capabilities required in the subsidiary to maintain such competence can be easily transferred through the formalised procedures and centralisation. Furthermore, because of the need for local sensibility, the company will not locate in a market in which it is not possible to find a local manager from the start. The responsibility for selecting this manager rests on a headquarter's manager, who performs this process in a short period of time.

**2. National image and representation** The national or country image is an intangible asset that can also be a source of a sustainable competitive advantage (Weigelt and Camerer, 1988; Shapiro, 1982), in the sense that its genesis is based on significant private and public investments over time in organisational, financial, technological and human resources. Besides, this image and reputation cannot be freely acquired in the market. As long as the country image of a certain firm responds to such characteristics, the corporation can decide to assign expatriates as an element of representation. This reasoning is more applicable for those positions with a high content of public relations and marketing functions, and it can be found in either type of international company strategy (Brewster, 1989).

Zara's products are not associated with any country-specific image; they are global products and brands representing international fashion trends. Having Spanish managers to run local operations would not provide any competitive advantage to a firm which develops its activities in the fashion sector.

**3. Management development** The process of building core competencies is of a dynamic character, consisting not only of the exploitation of existing resources and capabilities (Penrose, 1959), but also of accumulating new ones (Itami, 1987; Tallman and Fladmoe-Lindquist, 1994). In this sense, companies can also assign foreign positions for the professional development of its young managers of greatest potential and will assign expatriates both from headquarters to foreign operations, from the latter to headquarters and among subsidiaries (Edstrom and Galbraith, 1977). This type of reasoning acquires its full meaning in those corporations characterised by global and transnational strategies.

Within Zara, there exists international management development both in the case of design department specialists who are constantly travelling and interacting with local managers and, with local managers, who take part in subsidiaries management committee meetings on a regular basis. However, neither of these groups are made up of expatriates.

**4. Lack of local talent** This is most likely to occur in firms operating in developing countries (Gómez-Mejía *et al*, 1995). The rationale underlying this argument refers to the lack of technical and professional qualifications in these countries.<sup>7</sup> In such cases, Zara's philosophy is either to not establish a subsidiary, or postpone it until local management is available.

**5. Control and coordination** Foreign assignments and transfers of expatriates throughout the organisation enable the multinational to be assured that its interests are well represented

in subsidiaries. The expatriate's goal is to increase communication flows between headquarters and subsidiaries, as well as to give a higher degree of autonomy (less centralisation) to subsidiaries. Such 'trustful managers' can also design new procedures (more formalisation), allowing a better fit between subsidiaries and headquarter's interests. As multinationals are consolidating foreign operations and subsidiaries expand their learning curves, the multinational may seek to create a pool of international managers whose responsibilities will be less focused on control and more on the coordination of corporate goals, the communication of corporate philosophy, and the creation of an international network. This coordination role of expatriates is expected to be found in transnational companies (Adler and Bartholomew, 1992).

From the point of view of control, we have already seen that Zara combines different mechanisms, both bureaucratic and cultural, that do not demand the use of expatriates. Regarding coordination, Zara has also developed an alternative to expatriates – the 'subsidiaries management committee – discussed below.

### **Organisational learning**

One mechanism developed for coordination and organisational learning within the company's international network is the subsidiaries management committee, comprising the international director, and the other corporate functional directors (finance, legal, production, purchasing, *etc*). The committee holds regular quarterly meetings with all subsidiaries' country managers, in order to exchange experiences and 'know-how', as well as to reinforce the company's culture.

In addition, annual general meetings establish the main strategic plans for the whole corporation. The process comprises three steps. First, each subsidiary submits its business proposal, presenting its projects for the next fiscal year regarding investment plans, employee incentive programmes, work systems, *etc*. Secondly, the committee receives all proposals, performs a detailed analysis and determines which projects and proposals are applicable to all subsidiaries and which are country or subsidiary-specific. Finally, the committee meets with the managers of all of the countries to determine strategic decisions and final proposals for each subsidiary.

Consistent with Adler and Ghadar (1990), the question for the members of the committee is not whether there *is* cultural diversity, but how to manage it. Cultural diversity is constantly present at all stages of the decision making process, in order to:

- minimise the impact when integration is required, as is necessary for product and production standardisation. In this case, country specific differences will be considered a liability for the organisation, that need to be minimised. Thus, the company will pursue a globalisation strategy from the different subsidiary proposals;
- emphasise cultural and market-specific differences when required by the local environment. A subsidiary can have its own management style or incentive plans, not shared by any other part of the organisation. The cultural diversity will be, in this case, considered an asset allowing the organisation to increase its flexibility and responsiveness to compete in different markets;
- serve as a source of innovation and new ideas. As Quelch and Hoff (1986) state: 'Good ideas are often a company's scarcest resource.' Therefore, Zara encourages and rewards their generation, no matter where they come from.

The subsidiary management committee also performs an auditing function in order to ensure that the strategies and projects agreed on in the joint committee meeting are being pursued by the subsidiaries. This is carried out by the design department, especially by those with product development responsibilities, who are also international area managers, *ie* France, Mexico, and the USA. The integration of geographical and functional dimensions through one manager allows the company to achieve the advantages of functional specialisation, while developing more general and global business knowledge. This also provides international professional development of the central organisation's human resources.

Although auditors are headquarter's employees residing in Spain, they perform various coordination activities often attributed to expatriates (Barham and Berthoin, 1994). Thus, they must be capable of working with professionals from other cultures, learning from each contact, identifying situations in which cultural diversity is an asset or a liability, and transferring their knowledge to the rest of the company in order to increase and improve the organisational learning process. These auditors are obliged to be sensitive to national differences, but also to pay attention to those experiences conveyed by personnel in other locations, and decide whether to transmit them to other subsidiaries, or reject their global diffusion.

---

## CONCLUSION

---

Zara does not fit all the characteristics that Bartlett and Ghoshal (1989) attribute to a transnational firm. However, we cannot infer from this that their model does not apply. As we have seen, the company – through a set of different control and coordination mechanisms – is able to reach the three strategic goals that characterise the transnational corporations: local sensibility, global integration and organisational learning. So far, these goals are accomplished without the use of expatriates. As substitutes for expatriates, the company has developed different HR practices: temporary foreign assignments for start-up operations; the hiring of competent local managers; socialisation of local managers into the corporate culture; extensive use of international management meetings; auditors from headquarters; and formalisation and centralisation procedures.

As the case illustrates, the type of international strategy does not directly explain the type of international staffing policy. Thus, despite development of the same basic global strategy, the company has adopted different HR policies, moving from a very ethnocentric approach to a well-established polycentric staffing policy. Furthermore, it is possible to argue that as expansion in the different national markets reaches a stage of maturity, the company will have to face motivational problems with local managers, who will perceive that there is a 'glass ceiling' in their career potential (Banai, 1992). With this problem in mind, the company might study the possibility of designing, from a geocentric approach, an international management career for those local managers who have reached their highest local potential.

There is an internal differentiation within international HR policies of multinationals (Rosenzweig and Nohria, 1994; Nohria and Ghoshal, 1994). Some practices are essential for the maintenance and exploitation of the firm's core competence or to transmit knowledge and information throughout the global network (Kobrin, 1994), in which case they will adopt a high degree of centralisation and standardisation. However, others are vital in order to increase the degree of the firm's local sensibility, such as the staffing policy, in the case of Zara. In both cases, policies play a strategic role, whether to obtain global integration and organisational learning, or local adaptation.



In sum, expatriate policy is determined by managerial vision; organisational capabilities; stage of international development of the company; and the environmental pressures. In the case of Zara, the managerial vision has declined to use expatriates due to experiences that the organisation encountered in the first stages of the internationalisation process, the need to achieve local sensibility, and the fact that to maintain the firm's core competence, it is not necessary to assign international managers on a permanent basis to its foreign operations.

### **Acknowledgement**

This article has been developed within the research project 'International strategies of Spanish multinationals', financed by the Spanish Ministry of Education (DGICYT).

### **Notes**

1. Not all competencies as a source of a sustainable competitive advantage are embedded in human resources. For example, Hall (1992) mentions databases, contracts, licences, trade secrets and intellectual property rights as capability differentials not related to human resources. On the contrary, other functional, cultural and positional capabilities, such as 'know-how' of employees, perception of quality, ability to learn, and reputation are very much people-dependent.
2. Prahalad and Bettis (1986) describe the dominant logic as an orientation or vision of the world, or conceptualisation of the business and of the administrative tools for attaining goals and making business decisions. This is stored as a cognitive map, shared by the ruling coalition (the key members of the organisation).
3. The 'unique history' of a firm is impossible, or at least excessively costly, for competitors to imitate. Therefore, to the extent that the distinctive competence of a firm is related to that history, its source of competitive advantage is not imitable (Barney, 1991). 'Casual ambiguity' exists when the link between a firm's resources and its competitive advantage is poorly understood (Reed and De Filippi, 1990). In the face of such casual ambiguity, imitating firms cannot know which resources they should imitate in order to duplicate the strategies of firms with a sustained competitive advantage. Finally, 'social complexity' refers to the fact that the distinctive competence may be a complex social phenomenon, beyond the ability of firms to manage it systematically. In such a case, the ability of other firms to imitate this competence is significantly constrained (Dierickx and Cool, 1989).
4. It is interesting to note that this is a specific problem not expected by Zara's executives. However, if we follow Hofstede's 'power distance' country scores, we should expect to find that situation. In this study, France shows a higher score than Spain in this dimension.
5. This approach can be grounded in the human capital theory (Becker, 1964), according to which an investment in specific human capital requires long-term employment, in order not to deincevate employees to acquire that kind of capital. Otherwise, the employee will be in a very weak bargaining position with a company, once that specific human capital is highly valuable within the firm but of no use by competitors.
6. We use the terms 'centralisation' and 'formalisation' as they are defined by Nohria and Ghoshal (1994) – while centralisation refers to 'the extent of hierarchical authority exercised by the headquarters over various subsidiary decisions', formalisation is 'the extent to which decisions are made according to impersonal rules, routines, and procedures'.

7. The literature on this topic does not distinguish between specific and generic human capital. However, such distinction, highlighted in human capital theory, is essential in this area. Thus, a firm might adduce lack of local talent in the host country (*ie* Germany), referring not to the lack of skills and abilities which are applicable in a variety of firms, but to specific human capital which is of a very idiosyncratic nature to the firm.

---

## REFERENCES

---

- Adler, N. J. and Bartholomew, S. 1992. 'Managing globally competent people'. *Academy of Management Executive*, Vol. 6, no. 3, 52-65.
- Adler N. J. and Ghadar, F. 1990. 'Strategic human resource management: a global perspective' in *Human Resource Management: An International Comparison*. R. Pieper (ed). New York: de Gruyter.
- Baliga B. R. and Jaeger, M. A. 1984. 'Multinational corporations: control systems and delegation issues'. *Journal of International Business Studies*, Vol. 3, no. 1, Autumn, 25-40.
- Banai, M. 1992. 'The ethnocentric staffing policy in multinational corporations: a self fulfilling prophecy'. *The International Journal of Human Resource Management*, Vol. 3. no. 3, 451-472.
- Barham, K. and Berthoin, A. 1994. 'Competences for the pan-European manager' in *Human Resource Management in Europe*. Kirkbride (ed). London: Routledge.
- Barney, L. 1991. 'Firm resources and sustained competitive advantage'. *Journal of Management*, Vol. 17, no. 2, 99-120.
- Bartlett, C. A. and Ghoshal, S. 1989. *Managing Across Borders: The Transnational Solution*, Boston: Harvard Business School Press.
- Bartlett, C. A. and Ghoshal, S. 1992. *Transnational Management. Text, Cases, and Readings in Cross Border Management*, Boston: Irwin.
- Becker, G. S. 1964. *Human Capital*, New York: National Bureau of Economic Research.
- Brewster, C. 1989. *The Management of Expatriates*, London: Kogan Page.
- Buzzell, R. D. 1968. 'Can you standardise multinational marketing?'. *Harvard Business Review*, Vol. 5, no. 4, November-December. 102-113.
- Dierickx, I. and Cool, K. 1989. 'Asset stock accumulation and sustainability of competitive advantage'. *Management Science*, Vol. 35, no. 12, 1504-1511.
- Doz, Y. and Prahalad, C. K. 1981. 'An approach to strategic control in MNCs'. *Sloan Management Review*, Vol. 22, no. 4, Summer, 5-13.
- Doz, Y. and Prahalad, C. K. 1987. 'A process model of strategic redirection in large complex firms: The case of multinational corporations' in *The Management of Strategic Change*. A. Pettigrew (ed). Oxford: Blackwell.
- Edstrom, A. and Galbraith, J. 1977. 'Transfer of managers as a coordination and control strategy in multinational organisations'. *Administrative Science Quarterly*, Vol. 22, no. 2, 248-63.
- Edstrom, A. and Lorange, P. 1984. 'Matching strategy and human resources in multinational corporations'. *Journal of International Business Studies*, Vol. 15, no. 2, 125-38.
- Gómez-Mejía, L. R. and Welbourne, T. 1991. 'Compensation strategies in a global context'. *Human Resource Planning*, Vol. 14, no. 1, 29-42.
- Gómez-Mejía, L. R., Balkin, D. B. and Cardy, R. L. 1995. *Managing Human Resources*, Prentice Hall.

- Hall, R. 1992. 'The strategic analysis of intangible resources'. *Strategic Management Journal*, Vol. 13, no. 3, 135-155.
- Hamel, G. and Prahalad, C. K. 1989. 'Strategic intent'. *Harvard Business Review*, Vol. 89, no. 3, 63-76.
- Herman, E. E., Schwarz, J. C. and Kuhn, A. 1992. *Collective Bargaining and Labor Relations*, Englewood Cliffs, NJ: Prentice-Hall.
- Hodgetts, R. M. and Luthans, F. 1993. 'US multinational's compensation strategies for local management: cross cultural implications'. *Compensation and Benefits Review*, Vol. 25, no. 1, 42-48.
- Hofstede, G. 1980. *Culture's Consequences: International Differences in Work-Related Values*, Beverly Hills, California: Sage.
- Houriban, G. 1990. 'Crafting the global pay package'. *Directors and Boards*, Summer, 48-60.
- Itami, H. 1987. *Mobilizing Invisible Assets*, Cambridge, M.A: Harvard University Press.
- Kobrin, S. J. 1988. 'Expatriate reduction and strategic control in American multinational corporations'. *Human Resource Management*, Vol. 27, no. 1, 63-75.
- Kobrin, S. J. 1994. 'Is there a relationship between a geocentric mind-set and multinational strategy?'. *Journal of International Business Studies*, Vol. 25, no. 3, March, 493-511.
- Lado, A. and Wilson, M. 1994. 'Human resource systems and sustained competitive advantage: a competency-based perspective'. *Academy of Management Review*, Vol. 19, no. 4, 699-727.
- Martínez, J. I. and Jarillo, J. C. 1989. 'The evolution of research on coordination mechanisms in multinational corporations'. *Journal of International Business Studies*, Vol. 20, no. 3, 489-514.
- Melin, L. 1992. 'Internationalization as a strategy process'. *Strategic Management Journal*, Vol. 13, no. 2, 99-118.
- Morrison, A. J., Ricks, D. A. and Roth, K. 1991. 'Globalisation versus regionalisation: Which way for the multinational?'. *Organisational Dynamics*, Vol. 20, no. 1, 17-29.
- Nohria N. and Ghoshal, S. 1994. 'Differentiated fit and shared values: alternatives for managing headquarters-subsidiary relations'. *Strategic Management Journal*, Vol. 15, no. 2, 491-502.
- Nordhaug, O. and Gronhaug, K. 1994. 'Competences as resources in firms'. *The International Journal of Human Resource Management*, Vol. 5, no. 1, February, 89-106.
- Ouchi, W. G. 1980. 'Markets, bureaucracies, and clans'. *Administrative Science Quarterly*, Vol. 25, no. 3, 129-141.
- Ouchi, W. G. 1982. *Theory Z: How American Business Can Meet the Japanese Challenge*, New York: Avon books.
- Penrose, E. T. 1959. *The Theory of Growth of the Firm*, London: Basil Blackwell.
- Perlmutter, H. 1969. 'The tortuous evolution of the multinational corporation'. *Columbia Journal of World Business*, Vol. 4, no. 1, January-February, 9-18.
- Porter, M. 1986. 'Competition in global industries: a conceptual framework' in *Competition in Global Industries*. M. Porter (ed). Boston:Harvard Business School University Press.
- Prahalad, C. K. and Bettis, R. A. 1986. 'The dominant logic: a new linkage between diversity and performance'. *Strategic Management Journal*, Vol. 7, no. 6, 523-552.
- Pucik, V. 1992. 'Globalisation and human resource management' in *Globalizing Management*. V. Pucik et al (eds). New York: John Wiley & Sons.
- Quelch, J. A. and Hoff, E. J. 1986. 'Customizing global marketing'. *Harvard Business Review*, in Bartlett and Ghoshal, *op cit*.

- Reed, R. and De Fillippi, R. 1990. 'Casual ambiguity, barriers to imitation, and sustainable competitive advantage'. *Academy of Management Review*, Vol. 15, no. 1, 88-102.
- Rosenzweig, P. M. and Nohria, N. 1994. 'Influences on human resource management practices in multinational corporations'. *Journal of International Business Studies*, Vol. 25, no. 1, 229-251.
- Salancik, G. R. and Pfeffer, J. 1978. 'A social information processing approach to job attitudes and task design'. *Administrative Science Quarterly*, Vol. 23, no. 4, 224-253.
- Schuler, R. S., Dowling, P. J. and De Cieri, H. 1993. 'An integrative framework of strategic international human resource management'. *International Journal of Human Resource Management*, Vol. 4, no. 4, 717-764.
- Shapiro, C. 1982. 'Consumer information, product quality, and seller reputation'. *Bell Journal of Economics*, Vol. 13, no. 1, 20-35.
- Snodgrass, C. R. and Sekaran, U. 1989. 'The cultural components of strategic decision making in the international arena' in *International Strategic Management*. A. R. Negandhi and A. Savara (eds). Lexington Books.
- Tallman, S. and Fladmoe-Lindquist, K. 1994. 'A resource-based model of the multinational firm'. Paper presented at the Strategic Management Society Conference, Paris.
- Teece, D. 1982. 'Toward an economic theory of the multiproduct firm'. *Journal of Economic Behaviour and Organisation*, Vol. 3, no. 1, 39-63.
- Weigelt, K. and Camerer, C. 1988. 'Reputation and corporate strategy: a review of recent theory and applications'. *Strategic Management Journal*, Vol. 9, no. 4, 443-454.
- Weick, K. 1979. 'Cognitive processes in organisations' in *Research in Organisation Behavior*. B. M. Staw (ed), Vol. 1. Greenwich, ZT: Hai Press, Inc.
- Wernerfelt, B. 1984. 'A resource based-view of the firm'. *Strategic Management Journal*, Vol. 5, no. 2, 171-180.
- Wright, P. M., McMahan G. C. and McWilliams, A. 1994. 'Human resources and sustained competitive advantage. A resource-based perspective'. *The International Journal of Human Resource Management*, Vol. 5, no. 2, 301-326.