

Chapter Nine

The Role of Human Resources (HR)

This chapter will focus on the role of human resources (HR) in global organisations and how it can facilitate the creation of an appropriate organisational context for international teams to thrive. It builds on the previous chapter which explored the role of senior management and discusses how senior managers and HR professionals need to work together if international teams are going to succeed in their organisation. Evidence of working with organisations who are at the forefront of creating and managing international teams has shown that the traditional model of international HR has not risen to the challenge. The chapter therefore proposes a more future oriented and stretching role for HR in creating and sustaining a climate where international teams can thrive. Our experience has shown us that there are three key aspects to the role of HR in organisations where international teams succeed:

- Aligning HR with the corporate strategic intent.
- HR acting as role models for international teams.
- Facilitating change to a team based organisation.

Aligning HR with the Corporate Strategic Intent

Chapter Eight explored how senior management need to ensure that the organisation's policies and practices are aligned with the corporate strategic intent and highlighted that the human resources practices, in particular, had a significant impact on the performance of international teams. This first part of Chapter Nine will discuss this in more detail and explore how HR can ensure that its activities are aligned with the overall business direction.

HR as a strategic partner

Our experience has shown us that in many organisations, senior management believe that once they have defined the global strategy for the organisation, it is often seen as an HR responsibility to provide support to international leaders and their teams.

For example, even in Wellcome where the decision to introduce international teams followed the 'big bang' approach (see Chapter Eight), it was left to a resourceful local HR director to identify and allocate the staff to support the newly appointed international managers. This relied heavily on his personal networks across the global HR organisation. Although this support proved to be critical over the next few months, it was not given priority by senior management during the decision making process.

This is possibly because virtually any type of international problem, in the final analysis, is either created by or must be solved by people, and far too many senior executives equate 'people issues' with HR. This is not to say that HR should not play a key role in their organisation's quest to be global, as research has indicated that one of the most critical determinants of an organisation's success in the global business arena is the effective management of its human resources.

However, our experience has shown us that the effective implementation of a global strategy cannot be divorced from the formulation of the strategy. The most successful practice that we encountered was when HR defines the strategy and develops implementation plans *together* with senior management as an integral part of the strategic development of the organisation.

In one global pharmaceutical company, HR is an integral part of the senior management teams from the board downwards. The HR representative participates equally in the discussions relating to the formulation of the business strategy and the other functional managers develop the HR strategy simultaneously. The HR representative of the management team works in close collaboration with the internal OD consultants to ensure that the processes used in the strategy process are the most appropriate for the business. In this way HR is involved in the Why? What? and How? of the business strategy process.

In organisations that are operating best practice, HR is seen in the organisation as an equal partner in the success of the business. It is seen to have a right to be at the table and is expected to add value by contributing to the bottom line. In other words, the organisation sees HR as a skilled and respected function within the company that partners with line managers to solve key strategic business issues.

HR needs to be seen as, and behave as, an equal strategic partner in the business.

Developing an HR strategy for supporting international teams

Accepting that HR is operating as a strategic partner in the business, how can HR most effectively align its activities to match the corporate strategic intent? One of the first considerations for a senior HR team when confronted with the globalisation of the organisation and the introduction of international teams, is whether they are going to respond with a holistic, strategic review of their activities or whether they are going to remain essentially regional and introduce some targeted global initiatives, eg cross-cultural management workshops?

If we assume that the organisation has moved to a truly global (transnational) organisation and is introducing international teams as core elements, then our experience indicates that the only way that HR can provide the level of support required, is if it undertakes a fundamental review of its HR strategy. Best practice demonstrates that organisations will take international HR seriously if they observe it demonstrating best practice. How can HR hope to convince line managers to work in flexible cross border and cross structural teams, if they see their local HR teams building empires and protecting their patch? The following examples illustrate different approaches and the impact on the client.

A UK insurance organisation had recently acquired a number of businesses outside its home market, notably in America. The senior management team was much to be gained by merging the HR functions of the new acquisitions into the existing business. They also realised that they had to attract and develop talent outside their home market. A strategic HR review was undertaken which led to a global leadership programme, which was initially run by a mix of senior managers and HR. The programme was based on a number of clear objectives articulated by the senior HR. The programme was decentralised and organised locally in the UK and America with a Director in each area in the task of co-ordinating the programme.

Six months later the programme was available on the board for funding approval. It later transpired that there was a power struggle between the American and UK HR directors and neither would accept proposals from the other. The American HR Director would not work with a European business school and vice versa.

In frustration, one of the directors contacted an international business school directly, briefed them and asked for a proposal programme. Within a month the board had a proposal they were happy with. They subsequently implemented this Programme. The behaviour of the HR directors had seriously undermined not just their personal credibility, but the credibility of their function to be considered an equal business partner. A subsequently appointed international HR director found it took several months for her to overcome the negative message this had sent the organisation about the responsiveness of HR.

In a global IT company the story was somewhat different. HR was also locally organised and decentralised, although a small corporate OD team did exist. One of the international product managers contacted her local HR co-ordinator with a number of queries about transferring a member of her staff to China on an 18-month secondment. The HR co-ordinator had never worked outside his home country and certainly had no first-hand knowledge about employment law in China. However, he assured the product manager that he would have a response to her request within the week.

Using his personal networks within the organisation and externally, and using chat rooms on the Internet, the HR co-ordinator was able to get 80 per cent of the information he required. Colleagues from four other locations were able to give him examples of similar cases they had handled. However, he also recognised that the organisation did not have the necessary expertise in-house to provide all the information and they would need to pay for some external advice. He immediately contacted the product manager, explained the situation and asked how she would like to progress. She was so pleased with the prompt and comprehensive response that she readily agreed to pick up the additional costs of the HR co-ordinator using outside expertise. The client was delighted with the service from HR and the HR co-ordinator had developed his expertise about operating internationally.

There are often barriers to a fundamental review of strategy, not least ownership of budgets and resources at local and regional levels. The dominant model for HR in many global organisations is strong local functions with a small strategy group at the corporate centre. Local HR managers are often not keen to 'give up' some of their local resource to support global initiatives unless they have some element of control over that initiative. An advantage of this global HR role existing somewhere in the organisation, is that someone then has the authority to call all the relevant parties together to develop a revised strategy. This does not mean that the resulting discussions will necessarily be any easier, as you will still be working with a diverse group of individuals with a range of opinions all shaped by their cultural perspective.

In strongly regionalised or decentralised organisations initiating such a fundamental review of strategy on a global basis can be difficult, as you have additional organisational barriers to overcome. However, this is not insurmountable, as long as the key players can be brought together to create a global team at the beginning and co-create the revised strategy.

This leads us to an obvious but often overlooked success factor, which is to ensure that *all* parts of the global organisation are involved in the formulation of the revised HR strategy. Too often we have seen 'global' HR task forces created which only have members from the dominant markets or cultures as the following example illustrates.

A working party designing a 'global' performance management system had British, Dutch and American membership, despite the fact that the resulting process was expected to be adopted by more than 40 nations world-wide. In many of the countries where it was to be introduced the cultural norms relating to performance varied enormously from the dominant norms of the working party. The resulting draft proposal never got beyond the in basket of the local HR managers.

If you are serious about creating a strategy that is going to be effective and culturally acceptable to all parts of the globe, then it is critical to include the diversity of views at the beginning. Although this may mean that the formulation of the strategy could initially take more time, this will be more than recouped when you begin to implement the strategic plans and you have real buy in around the globe. The 'start slow, end fast model' discussed in Section One applies to HR teams as much as any other international team.

Effective HR strategies are co-created by all the global players.

As mentioned earlier in the chapter, another critical issue is to ensure that the global HR strategy is integrated with the global corporate strategy. In an ideal world this should be developed together with the senior management of the organisation to ensure that they have buy in to the resulting action plans. However, if it is not possible to co-create the HR strategy then there should be a review stage built into the process that allows all the affected stakeholders to contribute. An additional advantage of involving key global managers at this point is that it gives them an opportunity to experience working in an international team and will develop their global mind set, which in turn make them more effective as sponsors and mentors to other international teams. It is important to think carefully about who the stakeholders may be now, and in the future, and get their buy in. The number of global HR strategies that have been rolled out successfully in the headquarters country and main markets, only to fail dismally when rolled out to developing markets are too numerous, as the following example demonstrates.

An Anglo-German manufacturing organisation had introduced performance related pay and team based performance reviews into its UK, German and US plants. As it expanded into Asia and Latin America, it wanted to roll out 'best practice' to ensure that the newly acquired plants were treated equitably. This included HR 'best practice'. Unfortunately the practices that had been very successful in the 'home' markets were wholly inappropriate for the new markets, which had fundamentally different cultural expectations about performance and reward. Only after threatened strikes in four locations about the introduction of the 'best practices' did the company take some local advice on the appropriateness of the 'best practice'.

Another differentiator of an effective HR strategy for international teams, is that it is seen as a dynamic process and not an annual ritual. Effective HR functions are constantly trying out new approaches, reviewing what has been successful and how to improve areas that are not making the required impact for the business. This is all the more important, because there are, as yet, no proven answers that can be applied to all situations and our experience shows us that practitioners are sometimes ahead of the academics and consultants in this area.

Taking an Organisational Effectiveness Perspective

The current context for international HR is posing a challenge quite unlike any other it has faced. The hallmark of an organisation where international teams thrive is its ability to respond flexibly to the challenges it encounters. It is able to balance the tension between being centrally integrated and co-ordinated, yet locally responsive. If HR is to facilitate the creation of such an organisation, it needs to be looking at the company from a perspective of organisational effectiveness rather than an individual employee perspective, as illustrated in Figure 9.1.

Taking a strategic perspective requires HR practitioners to work holistically with the whole organisational system, intervening more at the organisation and team level rather than the individual level. This in turn requires certain working practices and a specific set of skills including organisation development,

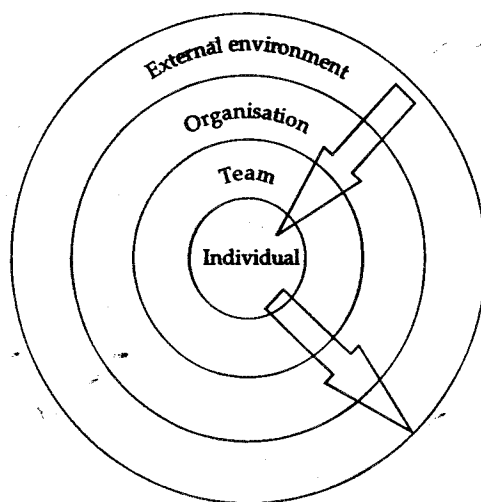


Figure 9.1: Perspectives that guide HR practices

coaching and facilitation skills. It is no longer sufficient for HR practitioners in global organisations to have effective technical skills, they must also have highly developed consulting skills and be able to effect organisational change in line with the strategic needs of business. One organisation we worked with employed the very successful strategy of pairing experienced OD professionals with senior operational HR professionals to enable them to coach and cross skill each other in their respective areas of expertise.

Effective HR practitioners will be tackling the business issues from all angles: skills training; reward practices; leadership coaching; career development. Where they do not have the skills in-house, the best international HR teams seek out experts to partner with. They do this with the intent of learning and bringing the skills in house, thereby increasing the global capability of the organisation. For example.

Once the senior managers had selected the strategic priorities for the year, the OD team at GlaxoWellcome completed a skills audit to identify what resources they would require to support and facilitate these priorities. They then matched the skills they possessed internally to the skills required. Having identified the gaps they then sought external resources who had the necessary skills and established the appropriate relationship with them. The external resources were always partnered with an internal team member to develop the internal capability.

The current context poses dilemmas for international HR: while the global nature of the business may call for increased consistency, the variety of cultural environments may be calling for differentiation. The role of international HR is to facilitate the realisation that the parent company does not necessarily have the 'right' or 'only' way of conducting business and to manage the tension created by these dilemmas in a constructive way.

Ensure that the HR philosophy and policies are being driven by the needs of the business, rather than the business trying to accommodate inappropriate HR practices.

Increasingly, international HR has to influence the attitude of senior management in relation to international operations, in addition to introducing appropriate supporting policies and practices. The most influential way for HR to achieve this goal is to consider themselves as role models for the wider organisation – it is not do as I say, but do as I do, which has proven to be the most successful approach.

Summary Learning Points

A successful global HR strategy:

- *Is co-created with line managers.*
 - *Is aligned with corporate strategy.*
 - *Provides a role model for the rest of the organisation.*
 - *Is seen as a dynamic process which evolves through action learning.*
 - *Takes a holistic view of the organisation.*
-

HR Acting as Role Model for International Teams

Bringing the key HR stakeholders together at the appropriate time to work on a global HR strategy has proven to be extremely valuable in a number of organisations we have worked with. The shared experience of the organisation and the strong professional backgrounds provide a strong sense of common ground that enables a robust and coherent strategy to be developed. It also sends a powerful message to the wider organisation about how to conduct a strategic review on a global basis. HR is being seen as a positive role model from the outset of the process.

In our experience, however, by far the greatest challenge is focusing the resources in the HR function to deliver this agreed strategy in a way that role models effective international teamwork. This requires sensitive organisational design and an ability to facilitate the change to an alternative organisational structure that more accurately reflects the needs of the organisation and its international teams.

Creating an effective HR structure

One of the more visible symbols of the way HR operates is the way it is designed and structured and any changes to this structure are going to be noticeable to the clients within the wider organisation. This is another reason why it is important that key stakeholders across the global business are committed to a revised global HR strategy and support the changes that need to be made to enable HR to deliver that strategy. It is difficult, if not impossible, for HR to provide effective ongoing support to the business, while simultaneously redesigning itself, if line managers are not supportive.

A recent merger was completed to very tight deadlines across the globe. To ensure that there was adequate HR support to manage all the integration aspects of the merger, it was agreed that the HR functions in both organisations would remain untouched until the bulk of the work was completed. A single strategic HR team was created to agree coherent practices for the newly created organisation but the implementation was handled by local HR staff.

Once the majority of the integration work was completed in the wider organisation (including organisation design, selection and new team start ups), the integration of the two HR organisations began. This was led by a Board member and supported by the remainder of the Board in recognition of the pivotal role HR had played in the integration of the rest of the business. No new HR activities were initiated by the Board while the integration of HR was completed. The senior managers were acknowledging that it was just as painful and challenging for HR to be integrated and realigned as it had been for the rest of the business and someone had to be their support as they had been for everyone else.

As an organisation's global strategy develops and it operates more extensively around the world, the appropriate HR structure might need to change. One approach that is intuitively appealing, is the contingency approach, where the HR function mirrors the stage of development of the wider organisation. This is illustrated in Table 9.1.

Yet there is much evidence that HR functions are not adopting this model. Research into the structures of HR functions within global companies revealed that less than 10 per cent matched the strategy and structure of the wider organisation. This could account for some of the criticism from senior managers that HR is not delivering what the business needs, but appears to be driving its own agenda. Accessibility and responsiveness are two critical success factors for international HR. If a line manager cannot find an easy response to her issue, she will not look upon HR as a credible partner.

There is no single 'right' way of structuring the HR function. However, best practice undoubtedly means 'practising what you preach'.

The simplest observation that we can make from our experience of successful organisations is that the HR function needs to align itself to the needs of the business it is supporting *and* position itself one step ahead of the organisation, thereby acting as a catalyst and role model. It should illustrate through its actions how to operate at the next level of complexity. By acting as positive role models, HR can help to 'pull' the organisation to a more effective way of

Table 9.1: Contingency approach to international HR

- If the organisation is operating internationally using an *export* strategy, the role of international HR will be minimal. The export manager(s) are likely to be based at headquarters and come under headquarters terms and conditions and any overseas staff will be independent local agents or distributors.
- Similarly if the market grows and an overseas *sales subsidiary* gets established, if an HR function is set up at all, it is likely to be established locally and focus on the HR requirements of domestic staff.
- If the organisation continues to expand and sets up a separate *international function*, the HR staff are either located in headquarters to manage the HR needs of the expatriates or are local staff who again are focusing on domestic HR needs. It may become necessary to begin to develop expertise in areas like international taxation and relocation, although many companies contract these activities to specialist firms.
- Many *multinationals* structure themselves along global products or areas with strong local country managers. HR is often the remit of the individual countries to ensure compliance with local employment practices and legislation. However, the development of managers able to operate in international environments becomes a new imperative. Developing domestic talent to ensure responsiveness to local needs is also critical. Training and development capabilities become increasingly important at the parent company.
- In *global* organisations there is a tendency to attempt to centralise strategic areas and decentralise operational issues. If HR mirrors the organisation, it creates a small international HR function at headquarters which influences the global HR strategy, which is then communicated to domestic HR functions to implement.
- In *transnational* companies, an interdependence of resources and responsibilities exists. The aim is to create the ability to manage across national boundaries retaining local flexibility while achieving global integration. There is a need to embed matrix like behaviour, which require high levels of trust. There is a need to work strategically in the formal and informal systems, which creates a shift in the nature of the role of HR function. HR should operate as an international network of expert consultants to the organisation.

operating globally and thereby create a climate that can support successful international teams. By adopting a strong leadership role, staff in the HR function become adequately skilled for the issues the company will be facing in the future.

Be a High Performing International Team

Where HR is expected to provide support to international teams in the organisation, they should operate as global teams themselves, experiencing all the highs and lows and constantly challenging themselves to learn more about how to be effective as a global team. They should act as a role model for other teams in the organisation and demonstrate learning by doing.

The willingness to engage in action learning and experimenting with models, tools and techniques on themselves, critically differentiates HR functions who are providing leading edge support to international teams. The organisational world is changing at such a pace and effective HR functions need to be structured to respond flexibly to the changing demands. As noted in Section One of the book, different functions within an organisation globalise at a different pace. This requires HR to be able to work with a range of skills, structures and issues simultaneously.

The following stories illustrate how HR can create valuable learning for the rest of the organisation.

The organisation had two product divisions. The HR function decided to set up a new HR function to address policy issues. Due to the size of the UK and Ireland, it was to be headed by an American organisation. The organisation was agreed to appoint joint chairs for the new function, one by both an American and a UK member of staff. Following a period of working with co-chairs, a review of the function was conducted. It was not working. It had led to increased conflict between the two divisions and accountability.

When the organisation proposed establishing global HR functions a year later with joint leaders from marketing and sales, the experience of the global working parties was shared with the HR division. They were asked to think through the implications of this decision. This helped them recognise that the proposal for joint leaders was a symptom of an underlying lack of trust between the two functions. This enabled the HR staff to work on trust and to take the issue as the global teams were established. They were joint chairs and the teams started to work together.

Creating a rhythm

A global HR project team was established to design and implement a portfolio of workshops and courses to develop the business awareness of middle managers in the organisation. The team had sponsorship from key stakeholders within HR and the wider organisation. Their budget allowed them to meet face to face quarterly. Their first meeting was used to get clarity about their purpose and together they crafted an action plan with timescales and accountability for specific tasks. The meeting review of that first meeting showed that they felt energised and excited about the project and that the meeting had been a positive experience.

When they came together for the second meeting, progress had not been made on substantial sections of the project – despite the commitments made at the first meeting. By the end of the first morning the meeting had degenerated into excuses and guilt blaming. All the energy was focused on identifying who was going to inform the global HR director of the lack of progress. A very different experience from the first meeting!!

Fortunately one of the HR team members had previous experience of working internationally and proposed that they set up a series of weekly one-hour phone conferences and monthly video-conferences to bridge the gap between the face-to-face meetings. This approach was well received and the support and support were they were apart they were able to keep their momentum and progress. Although not all team members participated in all the video-conferences or were able to attend all the video-conferences, the regular communication showed the value of the team working together and regular communication. The team finished its task on time and in the final meeting review, the team passed its learning to other teams who were working with global manufacturing teams. They were able to incorporate this into the working practices of these teams with visible results.

Few organisations have created truly global HR teams that operate as a microcosm of the wider organisation, yet this provides the opportunity for the staff within HR to experience working globally.

Create a global HR team that develops through action learning – by constantly experimenting personally, HR staff will learn to truly understand how to support international teams in the business.

In attempting to develop the global skills of HR staff, many organisations have identified a portfolio of training courses that their staff should attend. However, this is expensive and time consuming and will not necessarily equip HR staff with the skills they require in a timely fashion. Taking a systemic learning approach has proven to be more effective and durable. Staff may still attend some 'off the job' training but the majority of their skill development should occur 'on the job' through shadowing and coaching.

Summary Learning Points

The following actions can begin to create an environment where global skill development for HR professionals occurs systemically:

- *Identify individuals within HR who already possess the right attributes for working successfully internationally, put them in key roles and use them as role models and coaches for their colleagues. Don't be afraid to bust assumptions about existing hierarchies – go for the skills.*
 - *Identify individuals who are responsible for capturing and communicating the learning about global working across the HR organisation.*
 - *Provide international leaders with coaches and facilitators from HR to work with.*
 - *Hold workshops where HR staff can work 'in the moment' with real issues brought to the session by international leaders and their teams.*
 - *Create electronic 'learning laboratories' where dispersed HR colleagues can discuss issues they are working on.*
 - *Establish regular best practice reviews to embed the organisational learning.*
-

Facilitating Change to a Team Based Organisation

The final part of this chapter focuses on how a HR function can facilitate the transition to a more effective international team working across the organisation. It uses a case study which illustrates how one organisation created an international HR team utilising an action learning approach to respond to the globalisation of their organisation. The learning of the HR team occurred in advance of the rest of the organisation who were then able to benefit from this experiment.

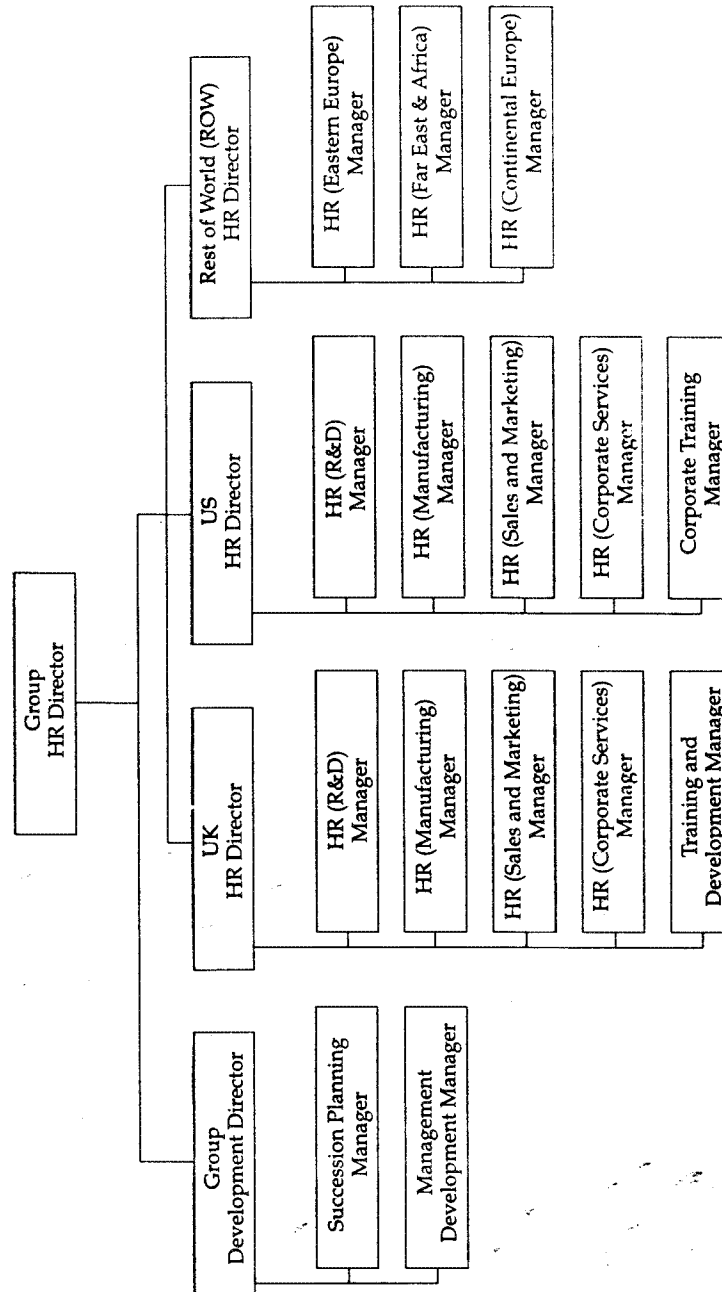


Figure 9.2: Regional HR structure

Case Study: Creating a Team Based International HR Function

The organisation had operated outside its domestic market for over a century, but had remained organised on a regional basis. The globalisation drivers in the industry included the need to have a highly efficient product development process and the need to have the ability to adapt products to accommodate local preferences in a cost effective manner. These drivers were impacting the R&D function most significantly and it was therefore decided to create a single international R&D organisation, where both the line and the matrix leadership positions were international – forcing a single point of decision making.

HR like the rest of the organisation was previously organised on a regional basis as illustrated in Figure 9.2.

As the organisation chart illustrates, each local HR function provided support to all aspects of the organisation: R&D, manufacturing, sales & marketing and corporate services (IT, finance etc) on a strictly national basis. The only part of the HR organisation which had a global remit was a small team who reported to the group HR director and had responsibility for management and career development of a cadre of senior managers globally. Thus the organisation operated a conventional HR structure for a global organisation.

As it was only one part of the organisation (R&D), that decided to organise itself globally, it was not thought to be appropriate for the HR organisation to be completely redesigned. However, it became clear very quickly that the existing structure was not sufficiently flexible to meet the changing needs of the business. The newly appointed senior director of R&D was also not interested in partnering with HR to develop a HR strategy for the new organisation. It was therefore left to newly appointed international line managers and local HR staff to identify the best way forward. An action learning style was adopted and the HR function experimented with several options over a twelve- to eighteen-month period illustrated below:

Option One: Retain the status quo and re-skill staff

This option allowed local HR staff who had previously supported the R&D organisation prior to globalisation to continue to work with their clients who were newly appointed as international managers.

This option was the initial response of the organisation as it represented the least amount of change and was low risk. No-one was clear what the impact of the organisational changes would be and it seemed premature to be making radical changes initially. However, within a matter of weeks, there was feedback from the new international managers that this approach was not providing them with the support they required. A different response was developed.

Table 9.2: Advantages and disadvantages of option one

Advantages	Disadvantages
Provided line managers with continuity of support at a time when they are facing many other challenges	Existing staff did not have appropriate skills to operate effectively in a global context
Provided opportunity for personal development for key HR staff	Local HR staff providing seemingly conflicting advice to International Managers on policies and practices
Staff knew how to navigate the informal systems to access resources	No dedicated budgets or resources to introduce any 'international' initiatives
Low risk – did not need to confront existing organisational power bases	No authority to resolve 'international' policy queries
Simplicity – did not require additional resource or reallocation of resource	The 'Noah's Ark' Syndrome – each international manager having to deal with two or more HR staff for any issue that affected their staff internationally

Option Two: Create international HR teams as pilots

The next experiment was to set up temporary international HR project teams and transfer individuals with the appropriate skills to lead these teams on a part-time basis:

The greatest success of this stage of the experiment was the ability to focus HR resources on the areas of greatest need. It was relatively easy to solve the 'quick wins'. For example, line managers with new international responsibilities simply did not understand the basic terms and conditions and employment law practices in some of the countries where they now had staff. One of the

Table 9.3: Advantages and disadvantages of option two

Advantages	Disadvantages
Focused resources in areas of greatest need	A few individuals had very high workloads and were travelling extensively to the detriment of their health and home life
Allowed HR to respond flexibly to changing requirements	Difficult for the project teams to make things happen as budgets and decision making at the senior level was still regionally organised
Low risk – allowed the regional HR structures to remain untouched	Little opportunity to transfer the learning from these teams to the wider organisation
Provided individuals with appropriate skills with career development opportunities	Temporary nature of the project teams meant that they were not given priority
	Part-time leadership roles led to role ambiguity and role overload

international HR teams developed a handbook and a series of short lunch time briefings over a very short time scale to overcome these difficulties in a consistent manner.

The greatest downfall of this option was that it left the decision making and budgetary authority residing at regional and local levels. This meant that any of the significant global changes that needed to happen were dependent on the international HR teams' ability to influence a range of stakeholders. This was taking too much time and the line managers were demanding that HR provide some more comprehensive solutions to the problems they were experiencing. They were keen to make the new international organisation successful and were supportive of HR being given the resources to make things happen. It was also clear that the impact of the globalisation of R&D was far reaching and was going to have long-term implications for the wider business. Indeed if this worked in R&D, manufacturing were keen to follow within the next eighteen months.

Option Three: Embed permanent international teams into the HR structure

The next step was to create a small core team with global roles and appoint staff with appropriate skills into the roles on a full-time basis.

The dedicated international teams were given a clear mandate by the organisation and provided with sufficient financial backing to accomplish the goals they were set. They were able to bring in expertise from outside the organisation, to enable them to 'fast track' some of the learning. A number of key projects were initiated and completed, encompassing the selection, development and rewarding of the international teams. Over twelve months, the organisation's capacity to operate effectively across the globe was making good progress.

As the organisation became more sophisticated in the way it worked internationally, the demand for support from HR grew exponentially, particularly when it came to providing facilitators and coaches for the newly created international teams. It became clear that the skills developed by the core HR

Table 9.4: Advantages and disadvantages of option three

Advantages	Disadvantages
Provided global organisation with dedicated resource	Created an 'elite' which left some staff feeling excluded from a key strategic initiative
Enabled newly appointed staff to focus on developing interventions specifically for global leaders and their teams	Concentrated the organisational learning in a few people, who quickly became the 'global gurus'.
Created new career path for HR staff	Did not provide sufficient flexibility to respond to changes in client demand.

team members needed to be transferred to a wider population. This wider population needed to extend beyond the HR function if the organisation was going to develop a sustainable capability to operate international teams effectively.

Option Four: Create a part-time international network to support the core teams

The final stage of the experiment was to create a network of coaches and facilitators to work alongside the full-time core team on a part-time basis as the needs of the organisation changed. Two members of the core team were given responsibility for co-ordinating and developing this network in addition to the other projects they were working on. The initial members of the network came from HR and from technical training teams in the business, but soon grew to include international team members from the business who were keen to pass on their learning to others in the organisation.

Having experimented with the options discussed, the solution which proved to work most effectively for this organisation was to have a full-time core global team who had the budgetary responsibility for delivering solutions to the global organisation irrespective of location. This team was staffed with individuals with the most appropriate skills irrespective of previous positions in the hierarchies of the regional structures. This team had accountability for working with senior managers to formulate the HR strategy and identify what resources would be required to deliver the agreed strategic priorities. To implement the agreed strategy, this team worked in conjunction with a network of local staff (HR and line) who worked with the international teams as coaches and facilitators on an as needs basis. This provided maximum flexibility at low additional cost, whilst increasing the organisational learning.

Table 9.5: Advantages and disadvantages of option four

Advantages	Disadvantages
Involved line managers, external experts as well as HR staff	'Messy' – needed some level of co-ordination if organisational benefits were to be realised
Developed a broader base of 'global' capability across the organisation	Some people were not comfortable with the level of role ambiguity
Provided the flexibility to meet the changing needs of the business without the need to increase overall headcount	These roles often cut across existing power bases and individuals therefore required effective conflict resolution skills to make things happen

Summary of Key Learning Points

In a review of the globalisation of this HR function, the following observations were recorded:

- *Influence the newly appointed global management team to work with you to create a global HR strategy – do not try to go it alone.*
 - *Do not underestimate the amount of energy and resource required to formulate and implement a global HR strategy effectively – it is not a part-time undertaking.*
 - *Identify new global roles, responsibilities and skills as soon as practical.*
 - *Appoint staff based on skills required not previous responsibilities or position in local HR hierarchy – be bold.*
 - *Ensure a balance of nationalities on the core team – without suffering Noah's Ark Syndrome.*
 - *Provide international HR team with its own facilitator and coach – even if that person needs to be resourced externally.*
 - *Ensure the whole network reviews its learning regularly with the wider organisation.*
-

These key learning points are valid for any HR function trying to create the right context to support its organisation's strategy to be global. For many HR staff, they will seem like significant stretches from where they are operating today. However, as Chapter One illustrated, operating globally is not going to be confined to a few large conglomerates in the future. Technology makes global working possible to even the smallest organisation and it is never too early to start learning about how to operate effectively outside your normal cultural boundaries.