

## Relations industrielles Industrial Relations



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***American Multinationals in Europe: Managing Employment Relations across National Borders,***

edited by Phil ALMOND and Anthony FERNER, Oxford: Oxford University Press, 2006, 346 pp., ISBN-10: 0-19-927463-0 and ISBN-13: 978-0-19-927463-5.

This volume brings together the results of a substantial and large-scale research project involving research teams from four countries. Whilst published as an edited volume, the editors have successfully achieved their aim of making this book read as a highly coherent multi-authored monograph. The choice of US-owned MNCs as a focus of study is a significant one and duly justified by the editors. The dominance of American MNCs in the international economy and their origins in a highly powerful business system makes these firms' management of human resources interesting to practitioners and those teaching about and researching international business. This is because the approach taken to employment relations by American MNCs in foreign countries represents a model which is likely to become globally dominant.

The book is concerned with the fact that the US business system remains distinctive in many ways from the business systems in which its MNCs operate overseas (in this case, subsidiaries based in four European countries). This raises key questions addressed by the various chapters. The principal objective of the book is to examine how human resources are managed across borders within US MNCs and the extent to which employment relations policies and practices are influenced by their origins in the home business system. Further objectives are to consider how successfully US MNCs are able to transfer HR practices to their subsidiaries and to examine the extent to which transferred parent practices are shaped and "hybridized" by the specific conditions of the various host business systems.

The volume is made up of thirteen chapters which are divided into four

distinct parts. Part one comprises the first two chapters. Chapter one is introductory and outlines the book's principal theoretical contribution. That is, to elucidate the ways in which MNCs take advantage of "indeterminate spaces," which can be found even in the most highly regulated national business systems, and shape host institutions to suit their own needs. A further contribution is that it considers the role of micropolitics and how the interests of actors company-wide may impact upon the smooth, "top-down" flow of organizational strategies, policies and practices. Chapter two develops a robust conceptual framework underpinning the study.

Part two comprises chapters three to five. The first of these gives an overview of the US business system, exploring the factors which make it distinctive from other business systems and how this in turn shapes the approach to managing employment relations in US MNCs. The strength of this overview is that it takes the analysis beyond the broad concept of liberal and coordinated market economies, demonstrating how business systems vary within these different classifications. Similarly, chapter four considers the key features of the host business systems, namely, the UK, Ireland, Germany and Spain, and in particular explores how they exhibit varying degrees of "openness" to the transfer of novel HR practices from the US parent. The last chapter provides an overview of the organizational context of the case study firms, notably reflecting the wide sectoral spread of the study.

Part three presents the study's empirical findings. Each chapter is dedicated to a specific area of HRM/IR, namely: collective employment

relations, employee participation and the role of unions, the management of pay and performance, the management of diversity and finally, the management of managerial careers. Such practices have been selected because they represent areas of HRM/IR where US MNCs are particularly innovative and aim to diffuse practice company-wide. The chapters are uniformly structured which greatly aids the reader in making cross-practice comparisons. In short, the book explores the manner and extent to which these various policies and practices are embedded in the US institutional context, the mechanisms through which they are transferred to their subsidiaries and finally, the ways in which such policies and practices are accepted, rejected or modified within the host country. Whilst it is not possible to discuss the findings here in any detail, what is clearly demonstrated by these chapters is the sheer complexity involved in transferring practice between business systems. It is also illustrated that the ease of transfer is contingent upon the nature of the practice and the degree of host country institutional, legal and cultural compatibility with that practice.

Part four focuses upon issues of process and structure. The first chapter in this section makes a particularly insightful contribution to our understanding. It considers the ongoing challenge that corporate HR faces in determining the balance between central control and local autonomy in employment relations policy and practice. Whilst it is widely accepted that US MNCs tend to take a highly centralized approach, literature has not adequately explained why this is so or considered how the centralization-decentralization balance has evolved over time. The authors thoughtfully examine these issues and provide insight into how they may be influenced.

This volume makes an important contribution to our understanding of managing employment relations in American MNCs. The strength of the book lies in its sophisticated approach to the analysis of MNC behaviour. Whilst the book's main focus is on exploring the interactions between the influences of parent and host systems, the authors have taken the analysis beyond a national-institutional approach. They incorporate other levels of influence which are important for understanding MNC behaviour in a context of global dynamism. In particular, they examine the influence of the sub- and supra-national levels. Thus, the authors importantly acknowledge how sector effects may cause variation in HR strategies, policies and structures within US MNCs. Similarly, they explore how regional level structures are evolving at company level. For example, they consider how HR functions, where they exist at European regional level, act as a buffer or refractor, re-shaping and "hybridizing" employment relations policies and practices as they transfer from the parent to the European subsidiaries.

The book concludes with a comprehensive overview of how the research might best be extended. It highlights the usefulness of conducting further research in MNCs originating from less dominant business systems, where a more geocentric approach to the management of employment relations might emerge. There is a need to extend this research to non-US owned MNCs, further comparative studies have potential to reveal the ways in which employment relations in US MNCs is distinctive. This volume provides an excellent template for further research.

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