26E03400
People Management in Multinational Organizations

Introduction

Virpi Outila, virpi.outila@aalto.fi
Kalliopi Platanou kalliopi. platanou@aalto.fi

Agenda for today

- Introduction and getting started

- Learning outcomes, skill development and pedagogy

- Assignments and practicalities

- Pre-assignment

- Why is people management interesting and important to study?

- Understanding the field of International Human Resource Management

- HR supporting the implementation of company strategy

Virpi Outila

- **Postdoctoral researcher at Aalto University School of Business from 2017 onwards**

- **Defence of PhD in November 2016 at Aalto University**

- **During 1992 – 2014 in business**
  - 2010 – 2014 HR Director at YIT responsible for International HR
  - 2009 – 2010 Consultant / Entrepreneur at HR&R Consulting
  - 2007 -2009 HR Manager at Hannes Snellman Attorneys at law
  - 2003 – 2007 HR / HRD Manager at Kesko
  - 1999 – 2002 HR Consultant in Poland
  - 1995 – 1998 Head of a Russian owned company in Finland
  - 1992 – 1995 Assistant of Eastern Trade at Ahlström

**Aalto University
School of Business**

Doctoral student Kalliopi Platanou

- **My research: Role of social media platforms in explaining field-level phenomena**
  - *How interactions on Twitter re-construct the HRM professional field?*
  - *How the #futureofwork affects the boundaries of the HRM field?*
- **Researcher:** Brave New HR? Digitalisation of people management (Academy of Finland project)
- **Visiting student researcher** at Stanford University (starting in April, 2019)
- **M.Sc. in Business Administration and Economics, Aalto University**
  - *Master thesis on how HR professionals perceive the e-HRM in their blog posts over time.*
  - *Finalist for the best HR thesis in 2015 by HENRY Oy*

Who do we have in the class today?

What is your student status?

1) local degree student 2) foreign degree student 3) foreign exchange student 4)from another Aalto School 5) from another Finnish university

What nationality do you hold?

1) Finnish 2) non-Finnish 3) dual nationality

What was/will your BSc degree be in?

1) business studies 2) in non-business studies

What is your mother tongue?

1) a local dialect 2) a national language 3) a regional language 4) a global language

Have you worked for a multinational organization?

1) yes 2) no

A! **Aalto University**
School of Business

Objectives of this course / Learning outcomes

- To identify linkages between strategy of multinational corporations, capabilities and human resource management

- To apply the principles and techniques of HRM in managing a global workforce, such as talent management

- To analyse how HR can contribute to a supportive organization culture and social architecture of MNCs

- To appreciate the role of HR in managing a global workforce

- To realise that as a manager with subordinates you can make a real difference in people's lives

A! Aalto University
School of Business

Topics of the sessions

1. Course introduction
2. The roles and responsibilities of the HR function
3. Global integration-local responsiveness of HRM practices (Lincoln case)
4. Organizational culture & New generation of employees
5. Global leadership development
6. Role of HRM in post-acquisition integration (Adecco case)
7. Expatriates and global mobility
8. Acquiring and development talent (KONE in China)
9. Challenges of work-life integration in multinationals

Aalto University
School of Business

Guest lecturers

- Ingmar Björkman, Professor of International Business and Dean of Aalto Biz **(Session 3 & 8)**

- Santtu Seppänen, Futurice, company visit **(Session 4)**

- Johanna Saarinen, Head of Talent Management, Bayer **(Session 5)**

- Sami Itani, HR Director, Adecco Finland **(Session 6)**

- Juha Äkräs, Co-founder, Executive Chairman of the Board, H2H Performance Ltd **(Session 9)**

Course readings

- Course textbook: *Pucik, V., Evans, P., Björkman, I., and Morris, S. (2017). Global Challenge: International Human Resource Management. Chicago: Chicago Business Press. 3rd edition (vs 2nd edition, availability of the textbook)*
- Articles assigned for each session
- Other material for class discussion: cases

Assessment and grading

1. **Individual pre-assignment 4 % (4 p.)**
   - Providing thorough answers to the questions posed (also why), personal reflections
2. **Individual reflection papers 18 % (9 x 2 p.)**
   - Reflect you own learning points from your reading of the assigned literature for each session
   - Providing questions for discussion during the session
3. **In-class assignments in groups 20 % (4 x 5 p.)**
   - Sessions 2, 5, 6 & 7
   - Evaluation criteria: thoroughness and innovativeness of the analysis, showing good understanding of the readings (ie. Ability to apply theoretical ideas and concepts to the case)

Aalto University
School of Business

Assessment and grading (cont'd)

4. **Individual case studies 20 % (2 x 10 p.)**

    - Lincoln case for session 3, Kone case for session 8
    - Evaluation criteria: thoroughness and completeness of the analysis, showing good understanding of the readings

5. **Final course paper 20 % (20 p.)**

    - What were the most important take-aways of the course and why?
    - How has your thinking about people management evolved during the course?
    - What if anything will you think about and/or do differently from now on?

6. **Active participation and contribution 18 % (9 x 2 p.)**

    - Attendance and contribution, use of name tags

Criteria for evaluating in-class assignments

A: 1 p. The big picture - what is this about? ("step back")

B: 1 p. Using theory as a thinking tool ("glasses")

C: 1 p. Applying theory to the practical problem

D: 1 p. Action plan, advantages/disadvantages, pros/cons, facilitators/inhibitors, plusses/minuses etc. (= answers to the questions)

E: 1 p. Depth of analysis & quality of insight: How well you express & present your analysis

Evaluation criteria for the case studies

Answers to questions (6p.)
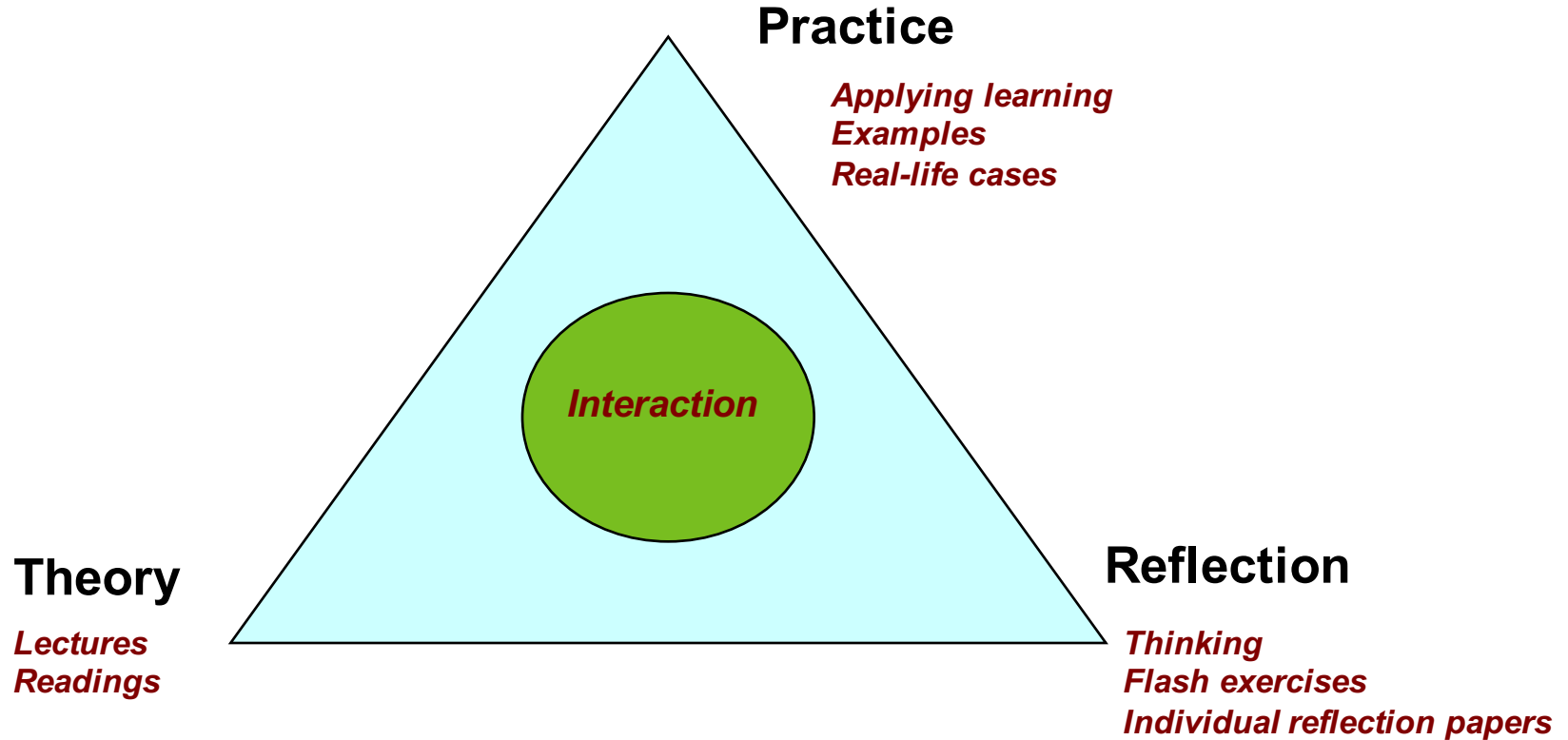
Depth of analysis (4p.):

- A: The big picture (1p.)

- B: Using theory as a thinking tool (1p.)

- C: Applying theory to the practical problem (1p.)

- D: Quality of insight (1p.): how well you express your analysis

Aalto University
School of Business

Skill development

During the course, we will work with the following skill sets:

- critical thinking

- team work skills

- reflexive writing

- receiving and giving feedback

Our teaching philosophy

Practice

Applying learning
Examples
Real-life cases

Interaction

Theory

Lectures
Readings

Reflection

Thinking
Flash exercises
Individual reflection papers

A! Aalto University
School of Business

Use of student feedback

Feedback provided by previous student groups

- In-class assignments were given too little time
- Clearer guidelines for assignments
- Groups formed by students themselves
- Good use of guest lecturers
- A more intensive format
- Grading in time

Changes made to the current course

- Done

- Done
- Partly done
- 6 guest lectures
- Not possible
- Done

"Please note that none of the assignments are compulsory, you will just not get the points for those that you miss. However, in order to ensure the same rules for all students, the deadlines are non-negotiable and assignments cannot be compensated with a different one" (from the syllabus).

What is (not) a good reflection paper?

- It is not a summary of all the issues discussed during the course (answers only what question)

- A good reflection paper demonstrates your ability to evaluate and assess the knowledge generated during the course and discuss its value to you given your interests, experiences and background information as a learner (answers 'how' and 'why' questions)

- A good reflection paper is clearly structured: it has an introduction and a conclusion and a clear purpose; it may use visuals

- A good reflection paper follows an academic writing style (referencing; e.g. for direct quotations indicate author name, year, page)

Compensatory case

Voluntary: can be used to compensate for a missed case/assignment or replace the lowest in-class assignment grade

Will be done at home individually or in groups

3-5 ppt-slides, due April 15th at 9 am in MyCourses

The reading (minicase) will be in MyCourses

Pedagogy

- Teacher as a facilitator of learning; an interactive format
- Peer learning (preparatory work before classes, in-class group work)
- Solid theoretical base combined with practical examples through guest lecturers and real-life cases
- Teaching cases
- Student-led discussions (responsibility for your own learning)
- Taking into consideration students' different learning styles

Discuss your pre-assignment in small groups (15 min)

1. What kind of experience do you have about HR?

2. In your view, which company is exemplary in people management? Why?

3. What kind of expectations do you have for this course?

Pre-assignment

1. What kind of experience do you have about HR?
- In recruitment and induction processes
- HR courses: Leadership and managerial skills
- HR's role in facilitating global leadership development
- Course on Organizational Behaviour, work experience
- Course: Cultural based human resources management, Gender and diversity at work, work experience from planning a new recruitment strategy for sales personnel
- Courses on bachelor and Master level, e.g. Strategic HRM
- Work experience as an HR assistant/specialist
- School project
- Japanese management; participation in HR tasks
- Course: organizational Behaviour, Strategic HRM

Pre-assignment

2. In your view, which company is exemplary in people management? Why?

- Google: employee centered
- South-West airlines, Futurice: culture, people emphasis
- Zappos: peer to peer-rewards program, culture
- Expedia: culture, HR processes
- SAP: good management, career opportunities; IBM
- Axa Winterthur: culture, opportunities for employees, health and wellbeing
- Learning Services at Aalto BIZ: exemplary people management practices
- Efima and Reaktor: culture, family-feeling, agility and flexibility
- British-American Tobacco: opportunities, flexibility
- Elisa: Great place to work
- Finnair: most wanted employer in Universum survey
- KPMG: recruitment, culture
- ABB: inclusive workplace
- Huawei: corporate culture (wolf-culture)
- Aldo: caring about employees
- Kesko: link with the strategy, top engagement; Ikea: people are valued
- JP Morgan: culture
- Adobe: culture, benefits, diversity
- Bain & company: Glassdoor Best place to work

Aalto University
School of Business

Pre-assignment

3. What kind of expectations do you have for this course?

- Learn about cultural differences
- Refresh concepts, gain strategic perspective, expat management
- Improve leadership and communication skills
- How People management improves the performance of the company, Finnish way of education
- What it means to be responsible for the human resources of an MNC
- Impact of international environment on HRM
- How to engage employees, how HR can support in creating and developing the culture
- How multicultural diversity affects people management
- Skills for managing people
- Academic and structural image of HR

Coffee break

A! Aalto University
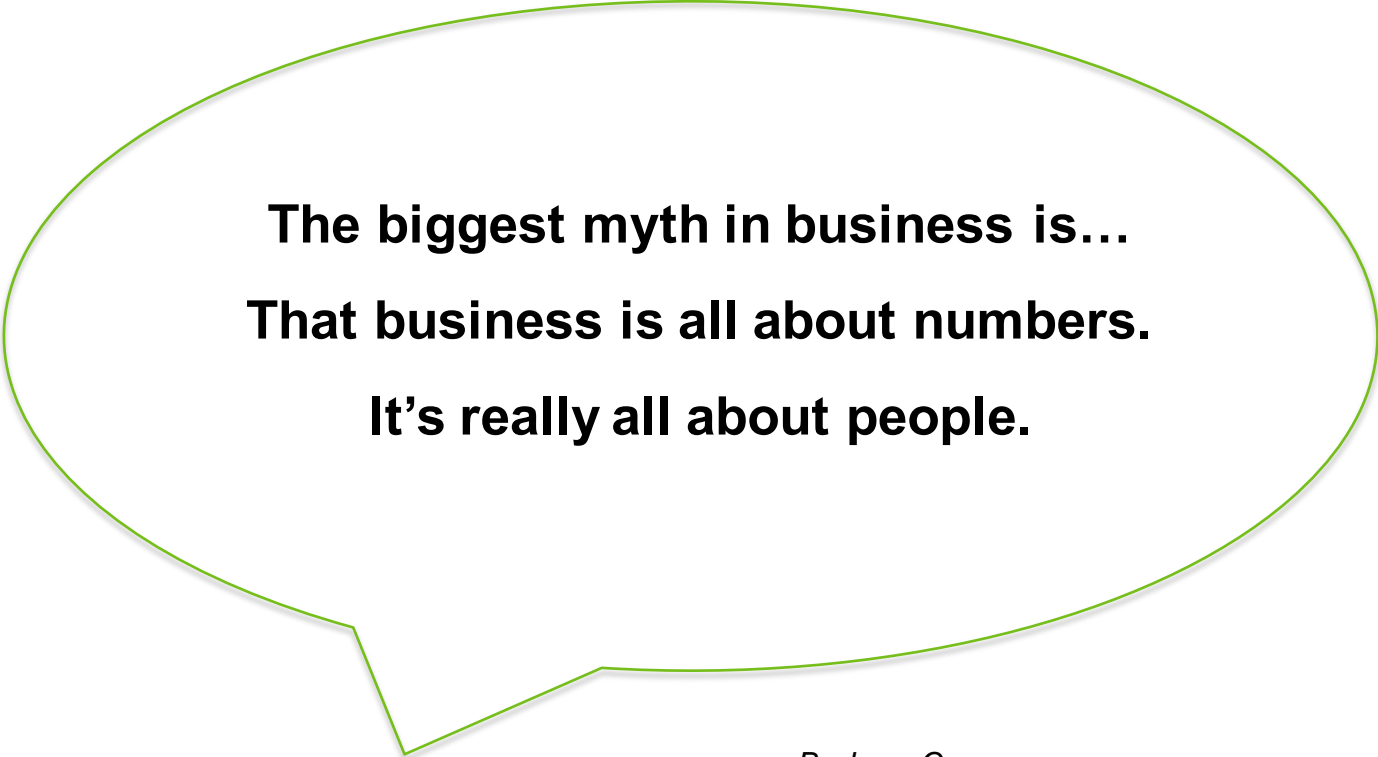School of Business

People Management

Why People Management?

Because it's all about people!

Companies don't do anything, people within them do

-> How do we get everyone to work together effectively in order to create the most value?

-> How do we develop people to achieve their best potential – and best results for the firm?

The biggest myth in business is…

That business is all about numbers.

It's really all about people.

Barbara Corcoran,
entrepreneur, investor, US Shark Tank judge

A history of HR

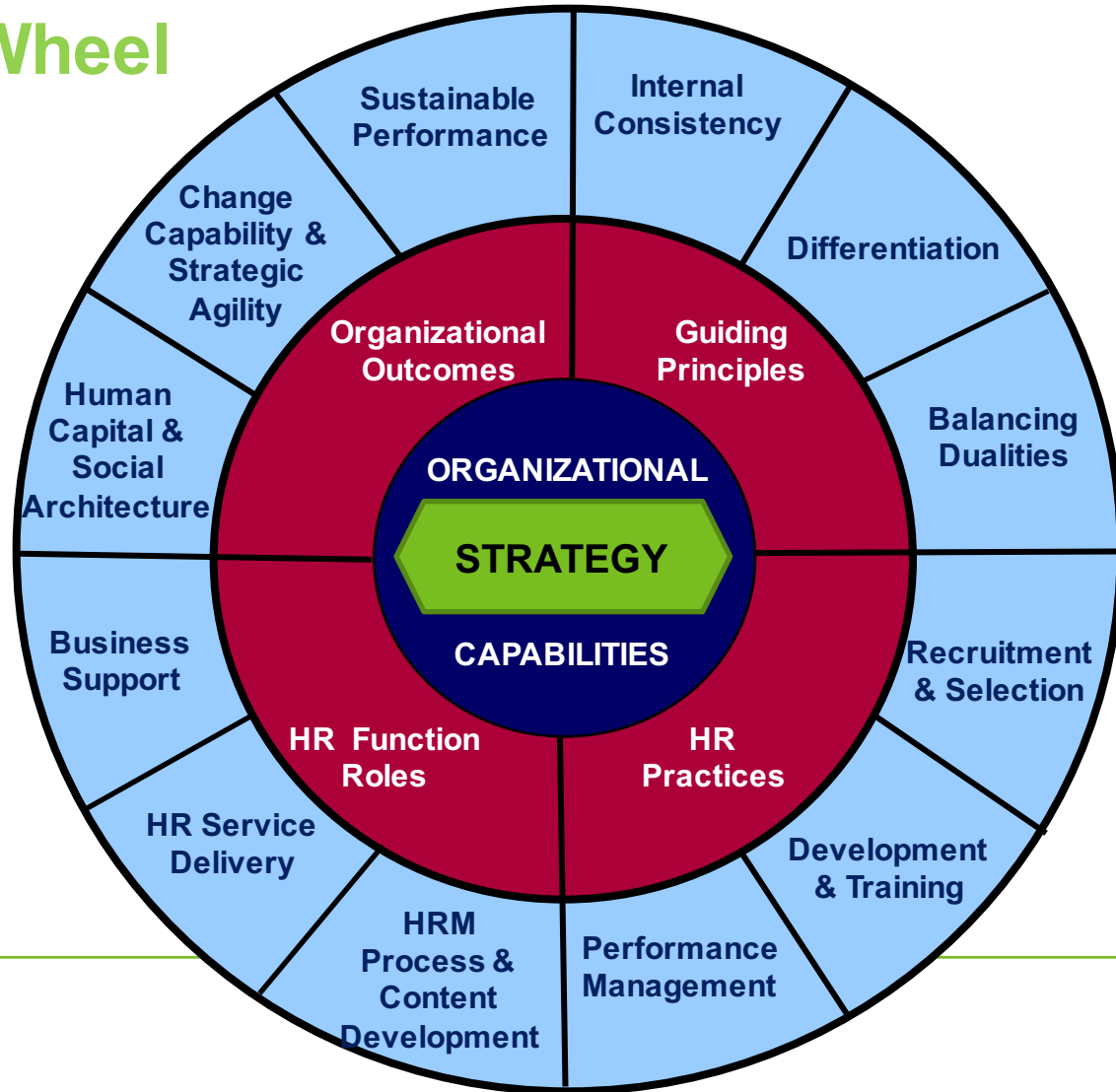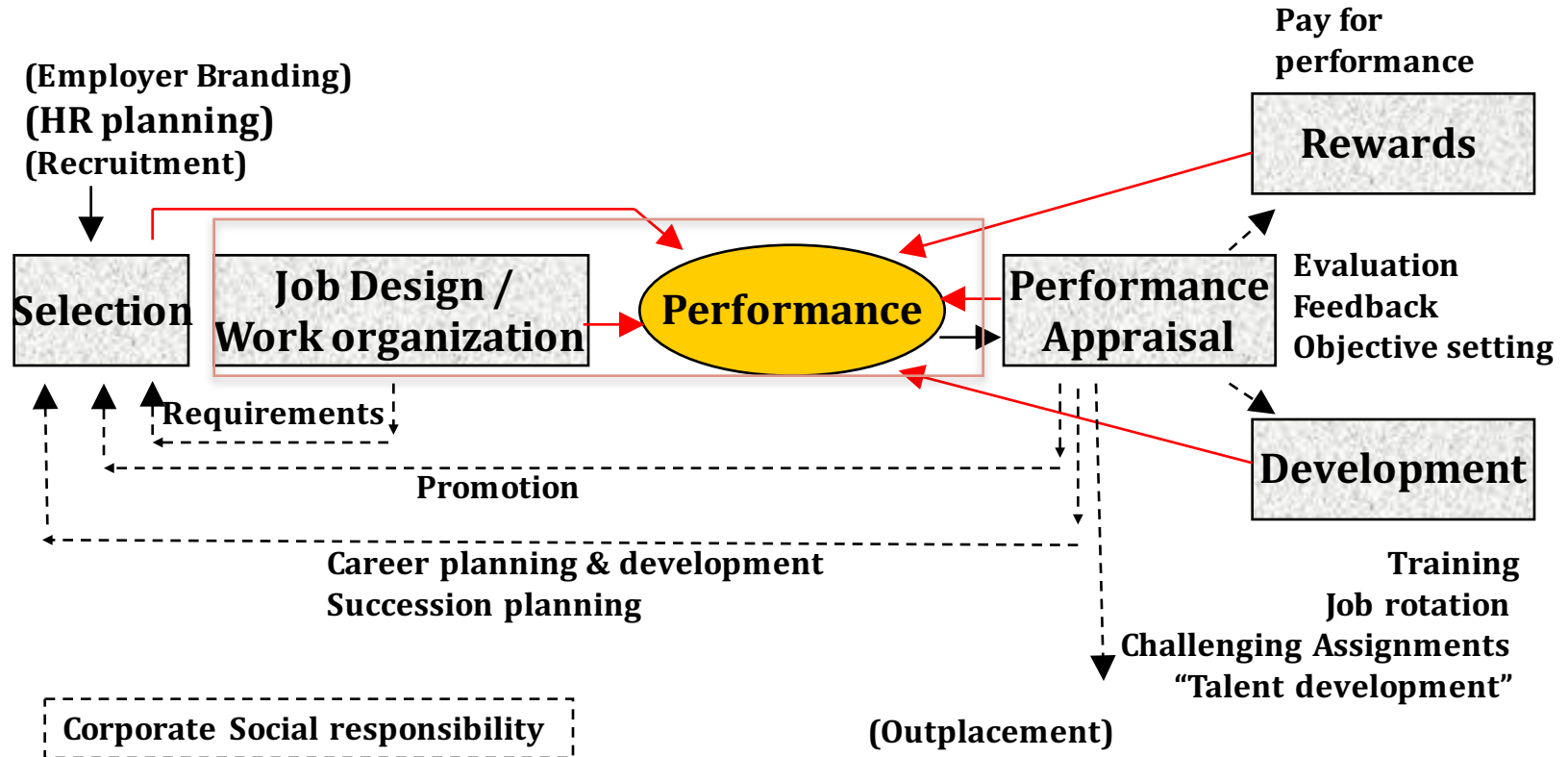|	
Employment rights and industrial relations	•1910s: Tata Steel and Ford Motor company introduce the 8-hour work day
Workforce administration	• 1940s: Maslow's Hierarchy of needs – a precursor to employee engagement • 1960s: Rise of industrial relations • 1970s: Personnel management adopts social science theory
Employee commitment and motivation	• 1980s: Emphasis on employees as assets • 1990s: Balanced scorecards and the Ulrich Model • 2000s: The rise of HR outsourcing and offshoring
Technology revolution	• Late 2000s: Social media and the emergence of cloud HR • Early 2010s: Big data and HR analytics • Mid-2010s: Robotics and advent of cognitive automation

**Aalto University
School of Business**

The HR Wheel

Source:
Evans et al.
(2017)

People management in multinational corporations

HR
Function &
Practices

Facilitating effective work
across the global organization

Strategy – Capabilities – HRM

Roles of the HR function
Performance management
Talent management
Mobility & staffing (expatriation)
Leadership development

Social architecture:
-Social capital
-Corporate culture
-Global mindset
Knowledge sharing & integration

Linking HRM with strategy
Linking HRM with
Control & coordination

Aalto University
School of Business

HRM practices

Key HRM practices

Recruiting

- attracting and selecting the right people

Staffing

- right people in the right places

Performance management

- evaluation and continuous improvement of employees' work contributions in line with organizational objectives

Talent management

- selecting, developing and retaining high-potential employees

Training and development

- developing people's skills and knowledge

Compensation & rewards

- effective management of salaries and benefits

Industrial relations

- working with labour unions

**Aalto University
School of Business**

Why is people management or Human Resource Management (HRM) an interesting and important topic to study in organizations?

- Organizations consist of people!

- HRM practices relevant for personal development and growth

- A diverse and broad field

- A happy workforce is more productive/effective (positive performance outcomes; sustainable competitive advantage); people implement strategies!

- To make sure the legal aspects are under control

- Staff turnover is costly; employee retention key (loyalty, commitment)

- Positive employer brand

- HRM affects everybody and is the first touch point for outsiders with the organization

- HRM practices and strategy/organizational goals: assumption of fit (a supporting environment/corporate culture for stretch?)

- Insights into employee motivation, organizational behaviour

- With digitalization as a megatrend, HR analytics have increasing potential (control mechanism; where is the line between public and private/privacy?)

Differences between domestic and international HRM

- More SHRM activities
- The need for a broader perspective
- More involvement in employees' personal lives
- Changes in emphasis as the workforce mix of expatriates and locals varies
- Risk exposure

Strategic HRM today

- Increasingly seen as the basis for competitive advantage and driver of firm performance
- Associated with the management of meaning and culture, change and learning
- Focus shifted from management-union relationships to management-employee relationships – latest employee experience
- It has a recognized role both in strategy formulation and implementation
- People management a joint responsibility of top executives, line managers and HR
- Research shifted beyond expatriates to include e.g. workers, local employees and minority groups (diversity)
- Beyond the MNC to other types of organisations (e.g. projects) and operation modes

Strategy and HRM

Strategy → Capabilities → HRM

1. Clarify the strategy (what are we trying to achieve) how to be the best in what we do?

2. Specify organizational capabilities required to support the strategy

3. Design and deploy (HR) practices & processes that enable differentiating capabilities

Example: Neste Oil strategy

Our strategy and Way Forward to 2030 are guided by our purpose and vision: Leaving a healthier planet for our children by creating responsible choices every day. Passion for renewal and our Forward Way of Working are at the heart of everything we do, guiding our way to Neste in 2030.

We are heading towards a world that struggles in addressing rising global energy demand and climate change – all at the same time. Markets demand sustainable solutions and new opportunities open for those who are willing to embrace the change.

Read more 🔗

Our unique competitive advantages differentiate us from our competitors. Our two strategic targets are founded on these strengths.

Read more 🔗

Neste Annual Report 2017 **Strategy and Way Forward to 2030**

Group work: learning cafe

Discuss in small groups of six persons, how HR could support the fulfilment of Neste Oil strategy in terms of

Group 1. Recruitment and selection

Group 2. Development and training

Group 3. Performance management

Group 4. Compensation and rewards

Group 5. Leadership development

Group 6. Well-being

Aalto University
School of Business

Group work: learning cafe

Phase 1.

- **Each group/table discusses one topic for 20 minutes**

- **Summarise the main points in flipchart**

Phase 2.

- **Change table and discuss the new topic for 10 minutes**

Phase 3. – 5.

- **Change tables so that each group has discussed each topic for 10 min**

Your answers

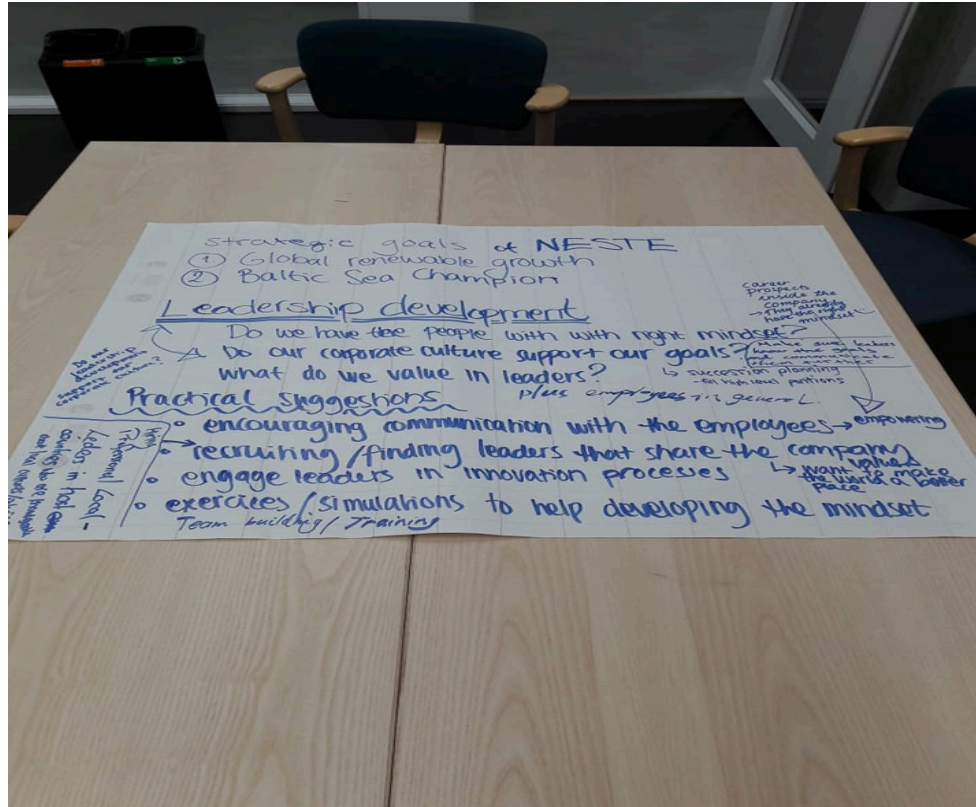# Group 1. Recruitment and selection
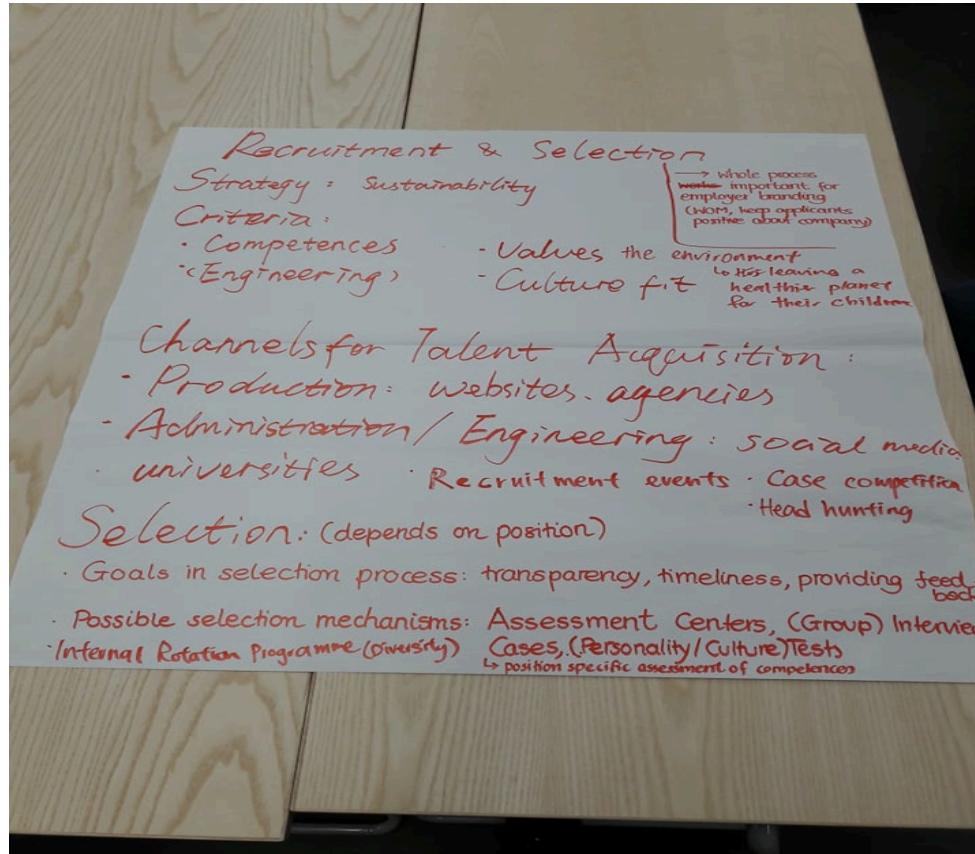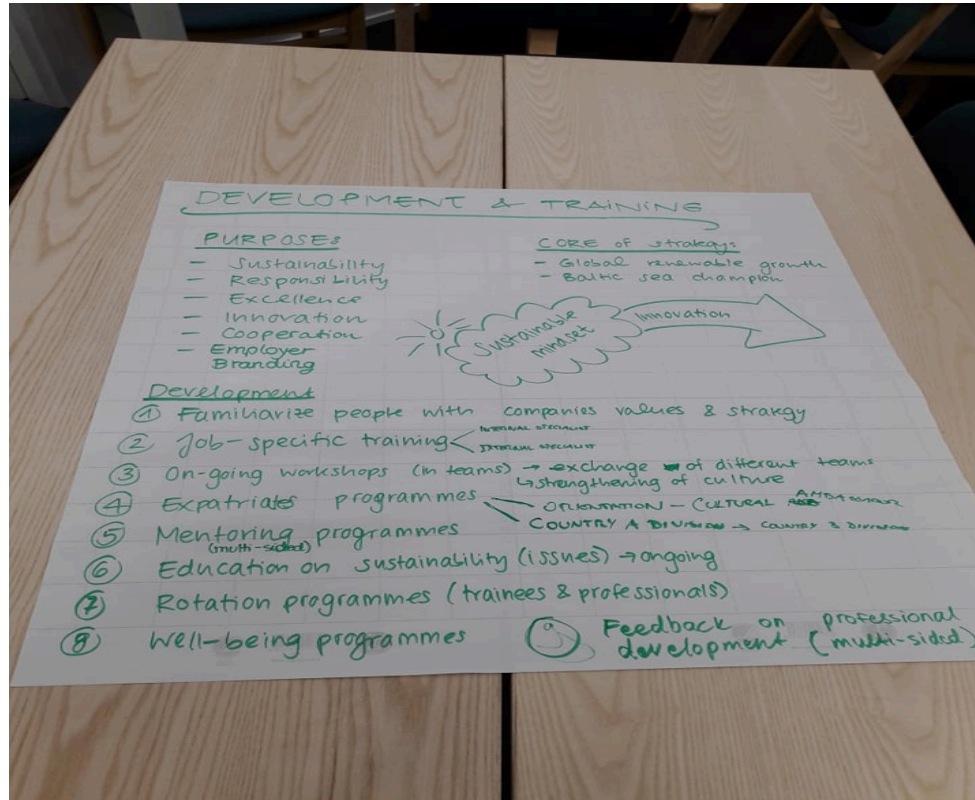
Group 2. Development and training

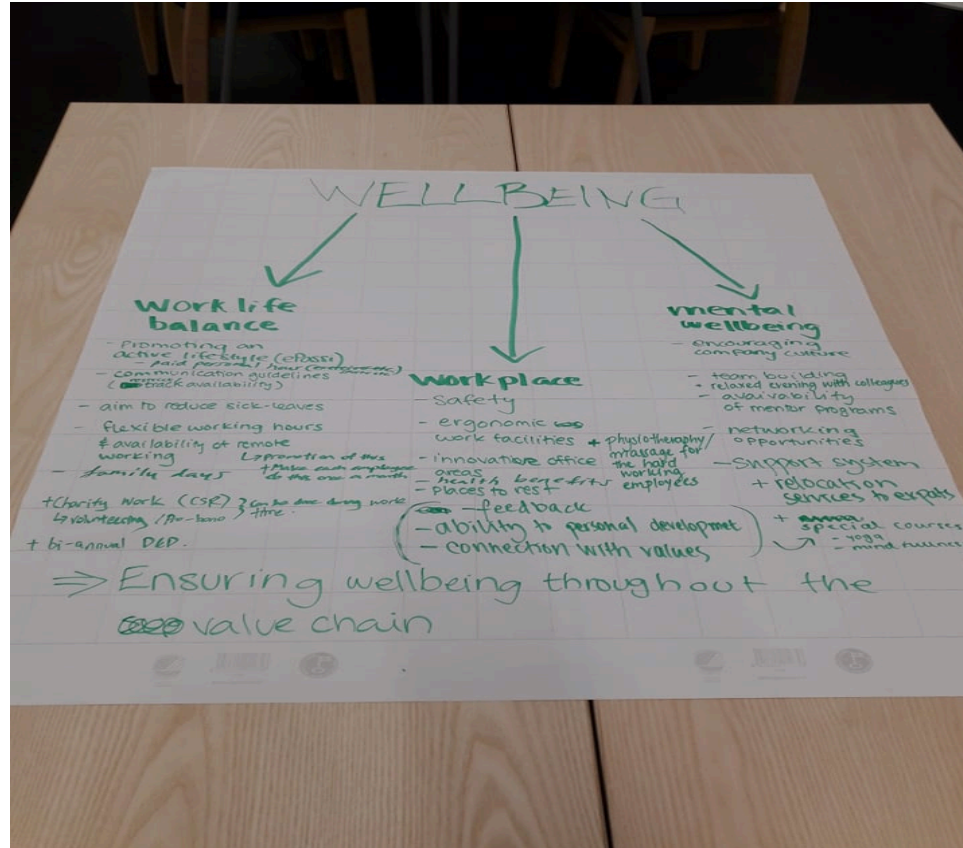# Group 3. Performance management
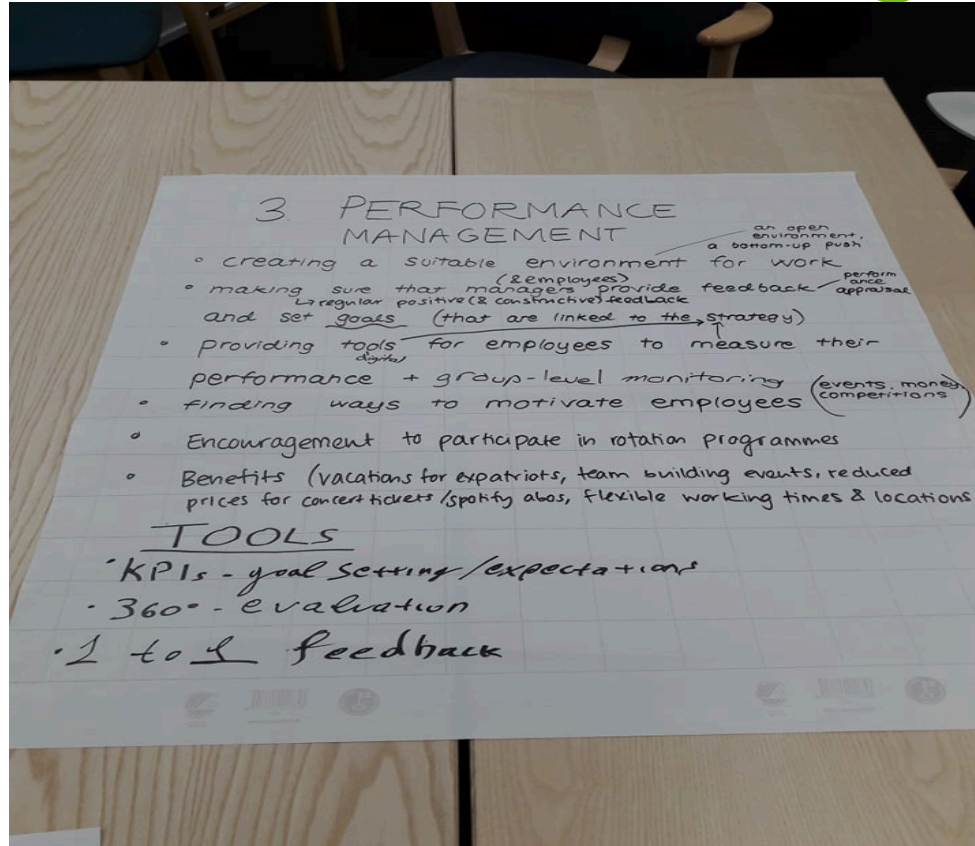
Group 4. Compensation and rewards
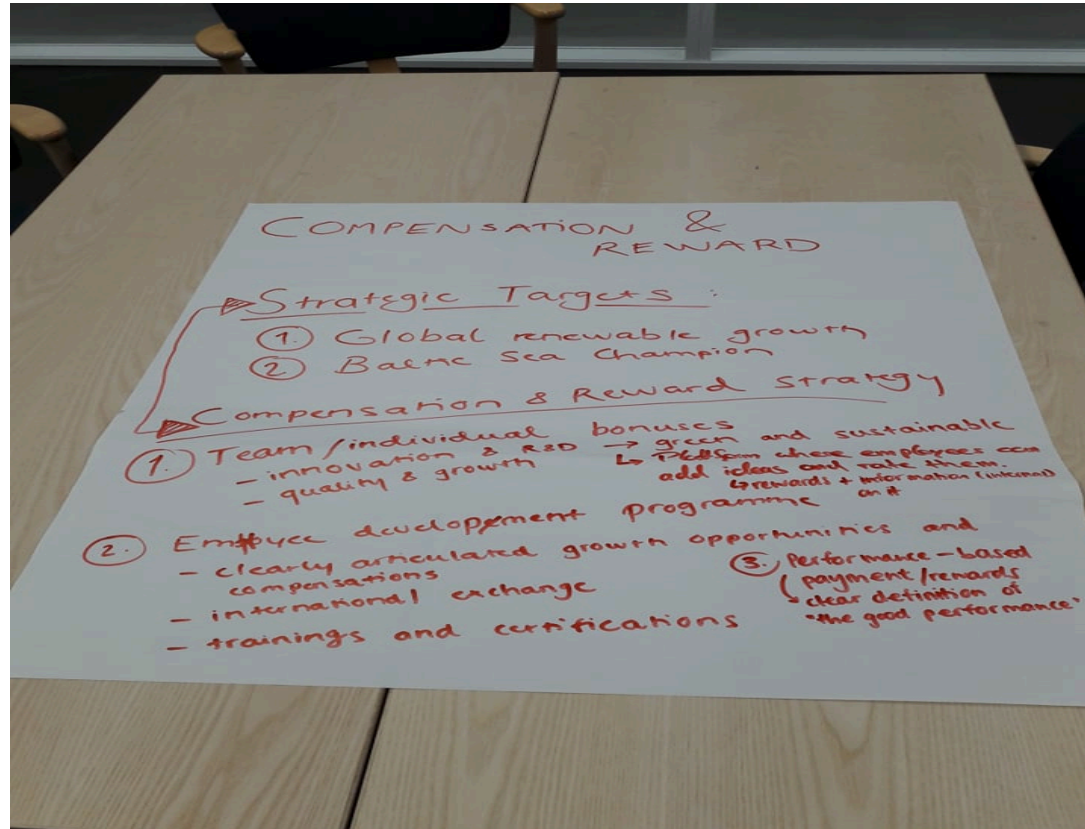
Group 5. Leadership development

Group 6. Well-being

Finding happiness in your career

"The only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle. As with all matters of heart, you'll know when you find it."

- Steve Jobs

Feedback from today

1. **Main insight**

2. **Topmost feeling**

Thank you & see you on Thursday!