



Aalto University  
School of Business

# People management in multinational organizations

26E03400, 6 ECTS

# The roles and responsibilities of the HR function

## Session 2

# Agenda for today

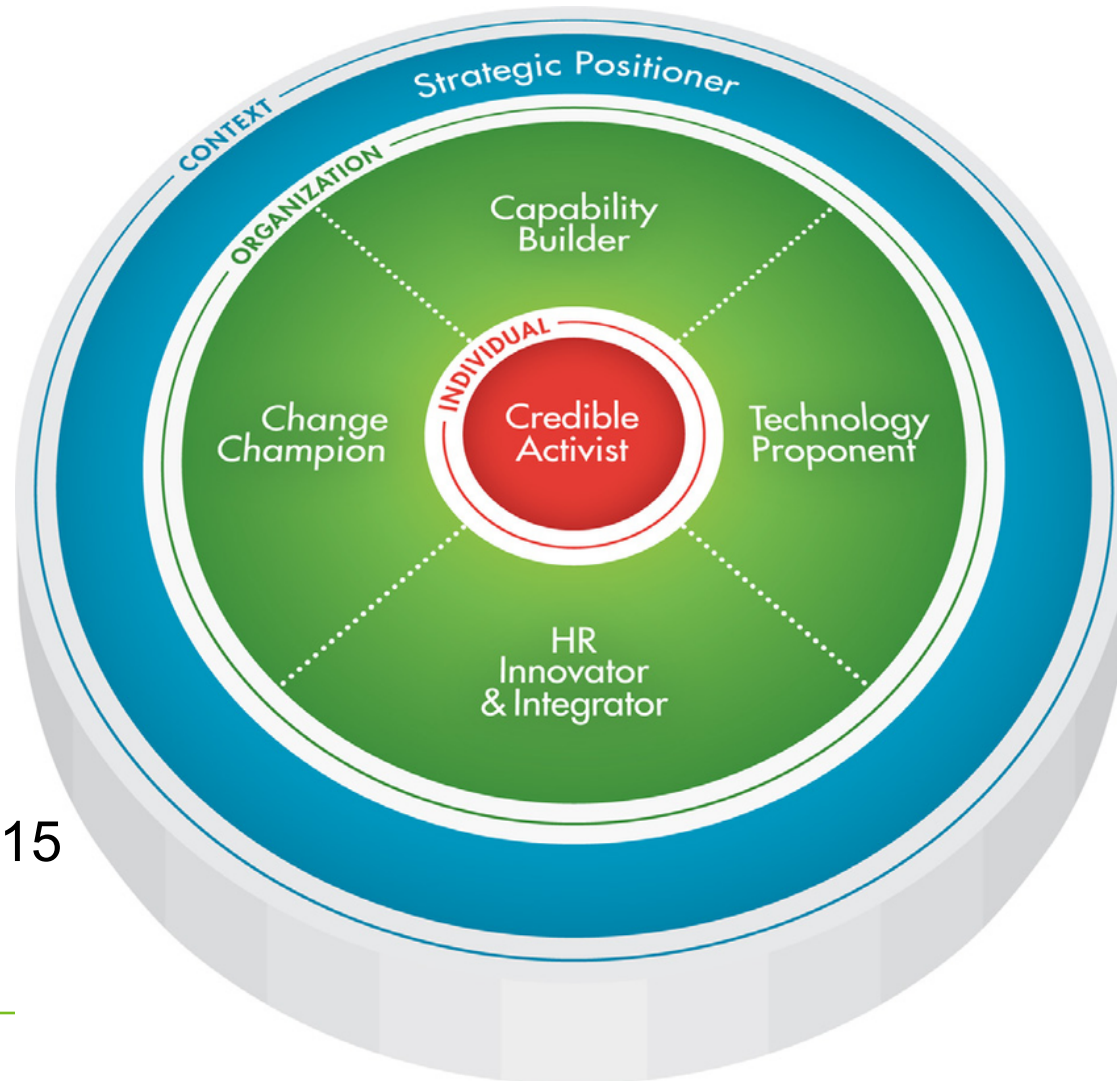
- Your pre-readings – class room discussion
- Global HR roles and responsibilities
- Break
- In-class assignment on roles and responsibilities of the HR function



# Course readings for today

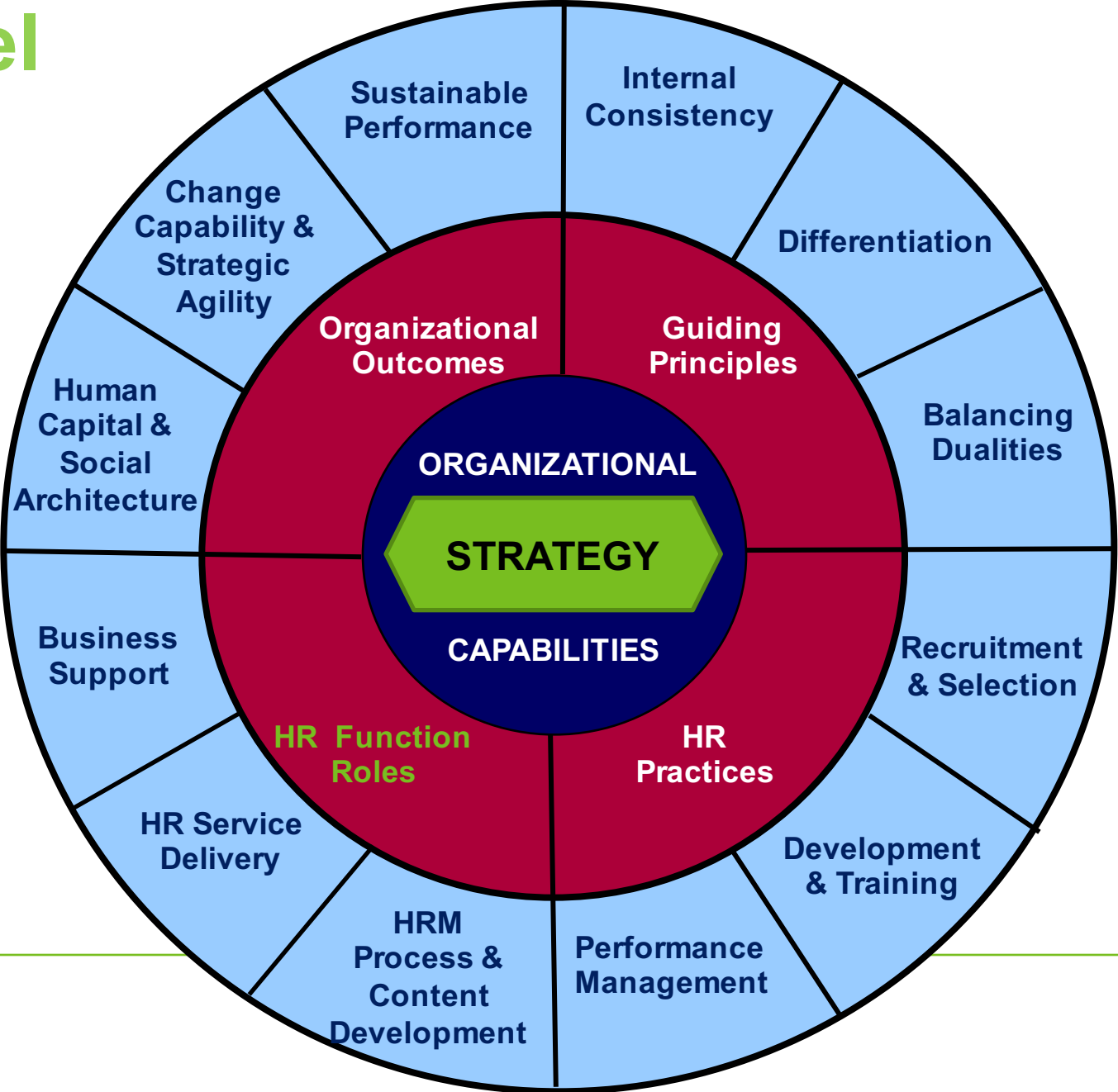
- Capelli, P. (2015). Why we love to hate HR... and what HR can do about it. *Harvard Business Review*, 93(7-8), 54-61.
- Ulrich, D., Younger, J., Brockbank, W., & Ulrich, M. D. (2013). The State of the HR Profession. *Human Resource Management*, 52(3), 457-471.

# Ulrich HR competency model



Source: Ulrich et al. 2015

# The HR Wheel



Source:  
Evans et al.  
(2017)

# Global HR Roles

## 1. Providing HR expertise

- Achieving balance between globally coordinated practices and sensitivity to local needs
- Identify and exploit HR practices found globally effective
- Make sure that HR practices support the achievement of business objectives

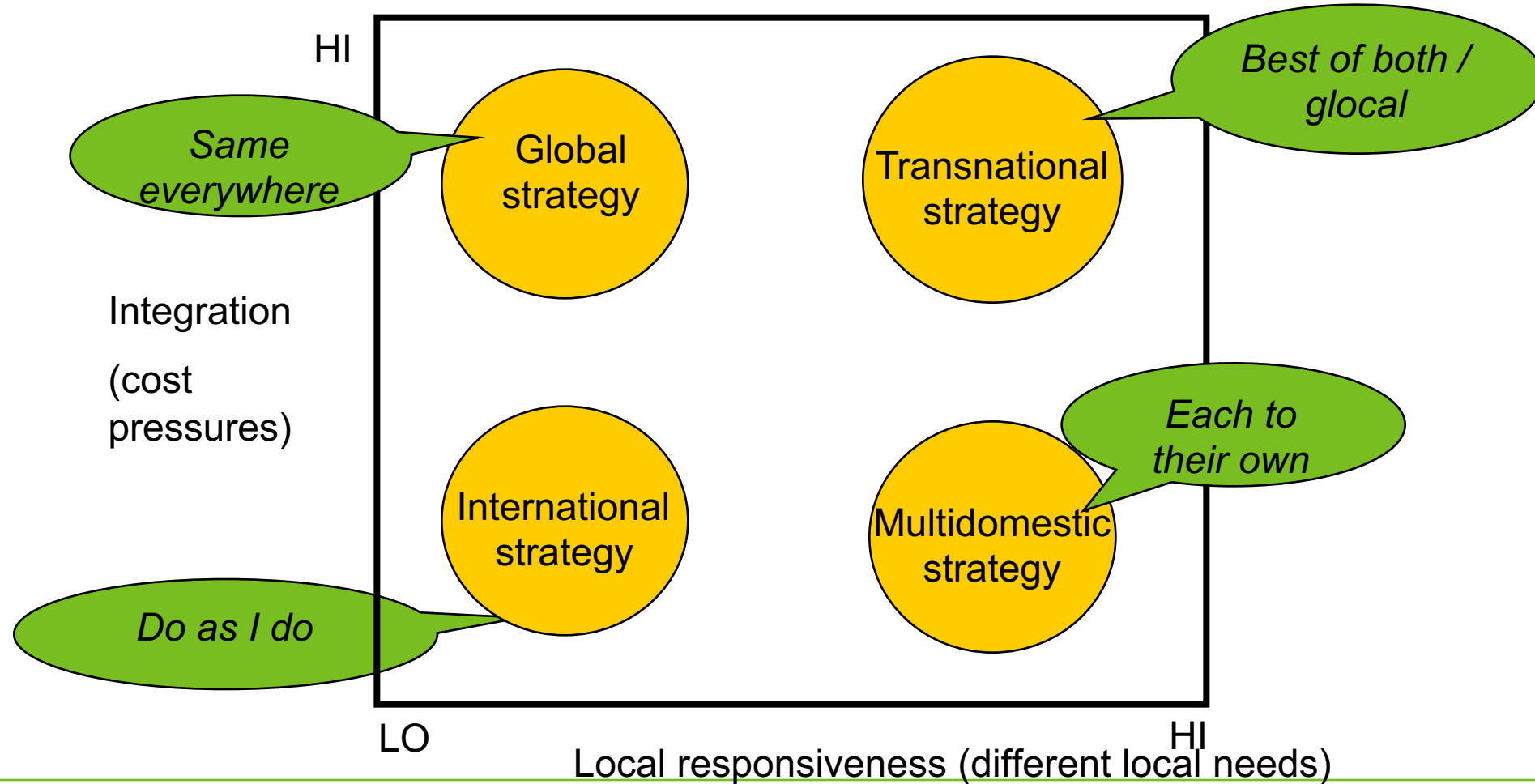
## 2. Delivering HR services

- Automation of transactional processes to e-HR tools
- Centralization of services through HR service centers
- Outsourcing HR transactional tasks

## 3. Contributing to business decisions

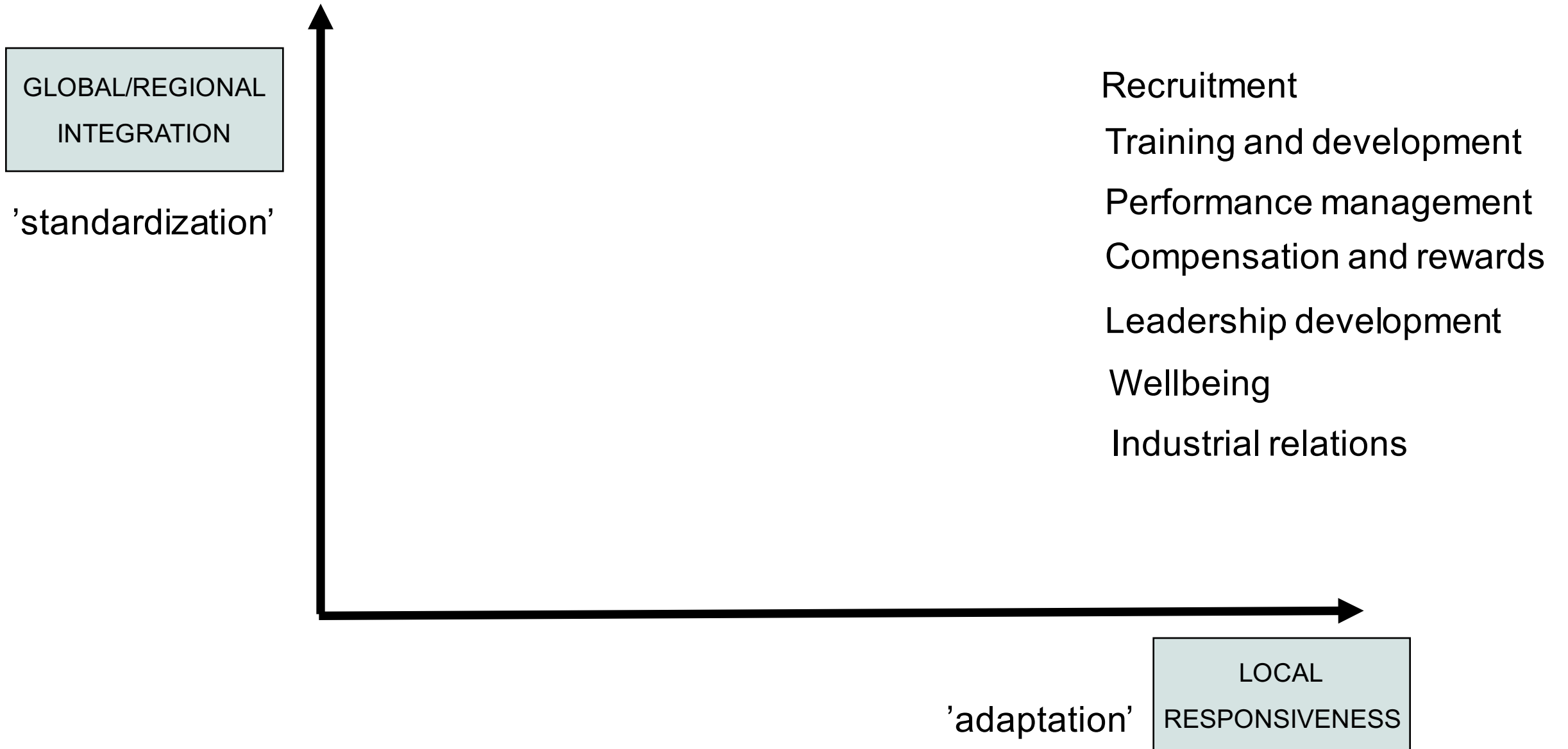
- Work in business management teams
- Participation in strategy and change processes, ensuring organizational capabilities

# Four generic strategies





# Responses to the 'global-local dilemma'



# Example: Transferring empowerment as a practice to Russia

## Empowerment

- Means that employees take more responsibility for their work and have more flexibility and freedom to make work-related decisions
- Increases employee performance, well-being and positive attitudes and thus creates more productive workforce
- Is the biggest management challenge in Russia (Fey, 2008, 2011)
- This is a study, doctoral dissertation (Outila, 2016), which shows local interpretation of empowerment in Russia and the impact of the local culture on the adoption of a practice

# Empowerment in the case company

## Ideas of empowerment are embedded

### in company values:

- Responsibility
- Creativity
- Courage
- Trust
- Involving employees

### in HR and leadership principles:

- Setting clear targets and responsibilities
- Giving and receiving feedback
- Showing responsibility and initiatives
- Open communication with personnel

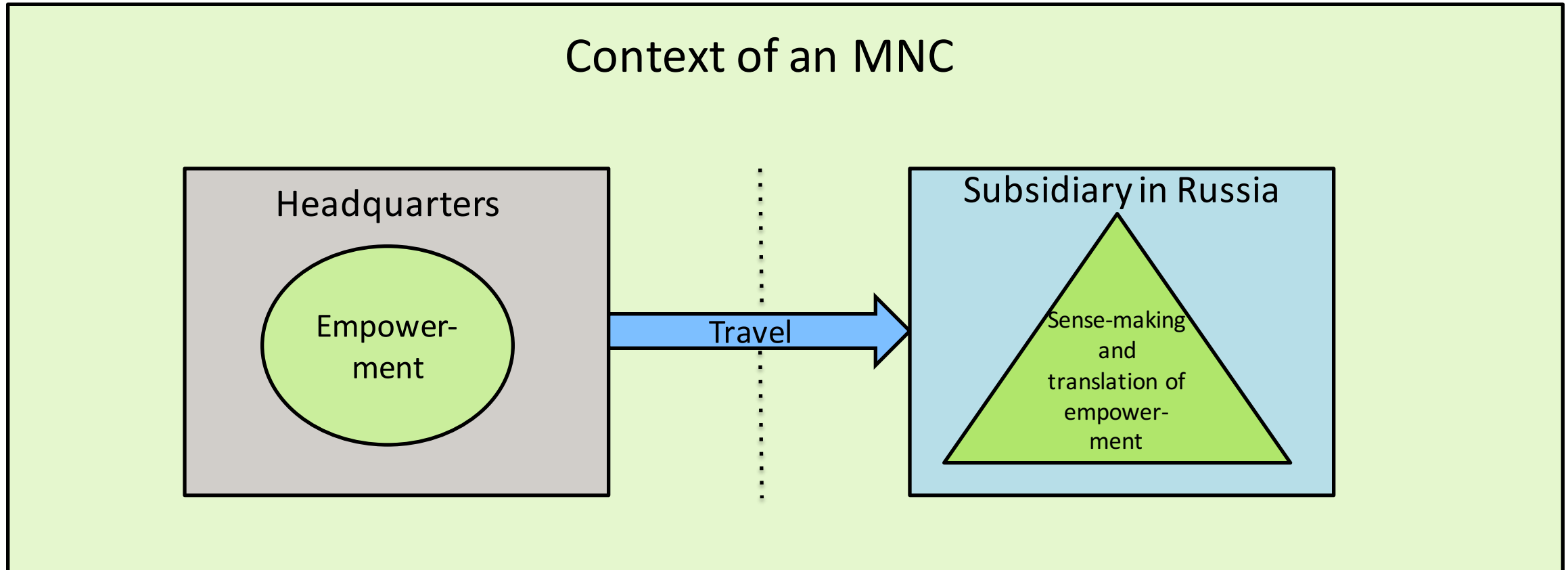
# Russia

- Over 140 million inhabitants
- A well educated labour supply
- Vast natural resources



**Authoritative context**  
**High power distance**  
**- Contradicts empowerment**

# Translation and localization of empowerment



# Example: Transferring empowerment to Russia

Element of empowerment	Meaning intended by HQ	Local translation (interviewees used proverbs when making sense of empowerment)
<b>Decision making</b>	Employees take responsibility, and managers trust them.	<b>'I am the manager, you are the fool'</b> Employees take limited responsibility under managerial control.
<b>Goal-setting</b>	Goals guide employees' independent daily work and managers trust them.	Goals and daily work are separate issues as managers control employees' work constantly.
<b>Initiatives</b>	Initiatives are expected from employees and they are part of every day work.	<b>'Initiative is punished'</b> Initiatives need to be agreed with managers and carried out by proposers.
<b>Trust/control</b>	Managers trust that employees take responsibility.	<b>'Trust but verify'</b> Managers trust employees to a certain degree, but control constantly.
<b>Feedback</b>	Feedback is considered evaluation to improve performance.	<b>'You cannot put thank you on your bread'</b> Material feedback is emphasised. Feedback is considered interaction to guide employees.
<b>Information sharing</b>	There is regular, open communication with all employees.	<b>'Who owns the information owns the world'</b> There is regular communication with top management.
<b>Attitudes to mistakes</b>	Learning takes place from mistakes.	<b>'No two mistakes are the same'</b> Learning takes place through punishment.

# How far to devolve responsibility of HRM to line managers?

**Devolvement is associated with a positive image of HR**

**It has increased during recent years**

**Varies across countries / companies**

## **Does it work?**

- Line managers may not want the increased responsibility for HRM
- They may not have time to deal with this role properly
- They may not have the ability and up-to-date functional knowledge
- They may be guided by their own unit's interests rather than a broad organizational and long-term perspective on people management

# Where are the boundaries of HR's responsibilities?

- It is important for HR to be customer-focused... but it's not enough just to think about how to add value to *internal* customers
- How to add value to *external* customers?
  - Training and development or advice concerning HRM
- How to work with supplier organizations?
  - To improve their effectiveness
  - To ensure their compliance with labor regulations and ethical standards – health & safety, wages, working hours, sustainability
  - To influence their environmental conduct

**Digitalization moves this to another level...**



# Influence without authority – the dilemma

- Despite the importance of people to the firm, HR usually find themselves in tricky position – they provoke criticism, resentment, and unpopularity.
- But it is not people within HR departments that manage people. They simply cannot – they usually represent 0.05% of the workforce.
- No, it is the line managers, supervisors, team leaders who ‘do’ people management.
- **The challenge for HR**, who are still predominantly women, is that they are dependent on line managers for carrying out effective people management, yet they often don’t possess formal authority, and must influence managers who, despite not having received much/any training, have already formed strong opinions about the best way to manage their own people. And so...

***The experts have little influence, and the ‘influential’ have little expertise.***

# Exercise: What would you do as an international HR manager?

A subsidiary managing director (MD) in a remote Russian city invites you, HR manager from the headquarters, to visit their office. In the meeting the MD tells you that he had been approached by the local competitor from the capital. The competitor wants to hire the MD and the whole management team of the subsidiary. Now the MD asks you:

**Why should we stay in your company and not to go to work for the competitor?**

Discuss in your group, what would you reply to the MD.

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# Exercise: What would you do as an international HR manager?

- This is a 'real life' example of HR manager work in international context
- It emphasises the importance of relationship building
- It emphasises the importance of creating common culture and values and communicating about them in global context
- It activates thinking about how to commit personnel in various contexts

# Virpi's personal experience

1. Create general HR principles and guidelines according to corporate values
2. Organise regular meetings with HR heads of subsidiaries
  - Regional level (e.g. Nordic HR manager meeting)
  - Global level
3. Create personal relationships with subsidiary management



# In-class assignment: Case 1



Please, answer one of the following questions in groups and draw on today's readings where applicable:

- 1) Compare the role of the HR function in economic downturn vs growth period. What measures does the HR function have to level out the effects of economic cycles?
- 2) Discuss and analyze the boundary of HR's responsibilities in relation to other f and other management roles.
- 3) What metaphors can you come up with that describe the various roles and responsibilities of the HR function?
- 4) What tensions and contradictions does the HR function face in multinational organizations?



Please, present your answers on a power-point slide and upload it to MyCourses (remember to indicate the names of the group members)

# Instructions for the case presentation

- **You now have 45 minutes (including coffee break) to complete the case assignment and prepare for presentation**
- **Then you have 5 minutes to present to your colleagues starting at 11.00**

# Session 3: The global integration – local responsiveness of HRM

Guest speaker: Ingmar Björkman

Readings:

Pucik, V., Evans, P., Björkman, I., and Morris, S. (2017). Global Challenge: International Human Resource Management. Chicago: Chicago Business Press. Third edition, Chapters 2-3.

- **Reflection paper by 4.3. at 23:59**

Lincoln case (available on MyCourses)

- **Case solution by 5.3. at 9:00**

# Feedback on the session

**Write one sentence as a feedback on the session with a pair.**





**THANKS AND SEE YOU NEXT WEEK!**