INTERNATIONAL HRM

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GLOBALIZATION, NATIONAL SYSTEMS AND MULTINATIONAL COMPANIES

PRESENTED BY

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YOUR TODAY HOST

An economics student, who is youthfull , full of enthusiasm and dreams of becoming a big figure with his unmatched charisma to conquer the world

"jangan lupa sholat."

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Learning objectives

- The nature of contemporary globalization
- Debating globalization
- Globalization and MNCs
- MNCs, the state and ‘national effects’
- Case study
- Conclussion

The nature of contemporary globalization

Contemporary globalization since the 1980s has advanced a neo-liberal, financialized agenda of deregulation, free markets, privatization, and unrestrained global capitalism that breaks the power of organized labor, opens domestic markets to instability and foreign competition, privileges mobile finance capital over vulnerable labor, enables the unaccountable financial industry to engage in speculative activities disconnected from the real economy, and drives economic policies that create some clear winners but also greater inequality, job losses, the offshoring of jobs, and the expansion of more precarious, insecure, and informal work deprived of protections or benefits - leading to the emergence of a global "precariat" class comprised of young, migrant, and minority workers.

Debating Globalization

Contemporary globalization reflects intensified economic integration and interconnectivity, yet debates continue regarding the extent of qualitative change versus continuation of historically rooted patterns still dominated by major economic powers, such that a nuanced analysis reveals globalization as an uneven and incomplete process that, while fostering some convergence around neo-liberal policies and practices, also generates new forms of divergence, localization and regionalism.

Globalization And MNCs

Contemporary globalization has been driven by the rapid expansion and rising influence of multinational corporations, which now conduct $19 trillion in annual sales across over 900,000 subsidiaries. While generating some economic benefits, MNCs also reproduce national differences given their continued embeddedness in home countries and need to capture locational advantages across multiple regulatory contexts. This means they simultaneously exploit structural power over workers to impose priorities, and pursue complex "political projects" negotiating with national institutional actors. So globalization fosters as much fragmentation and localization of practice as homogenization. MNCs undisputedly shape global production patterns, yet a borderless world of "placeless" transnationals seems overstated when most still maintain strong home country ties. At root, a tension persists between managerial control and demands for equitable outcomes. Understanding MNCs as political actors navigating this landscape highlights IHRM's perennial challenge of balancing integration and localization.

MNCs, the state and 'national effects'

The institutionalist perspective, with its focus on how key national institutions like the state, legal system, and financial system constitute distinct "varieties of capitalism" with systemic logics that confer comparative advantage, provides a more compelling and nuanced explanation than static culturalist approaches for the ways in which the socially embedded nature of economic activity in different countries shapes and constrains international management and human resource management practices in multinational corporations.

MNCs, the state and 'national effects' keypoints

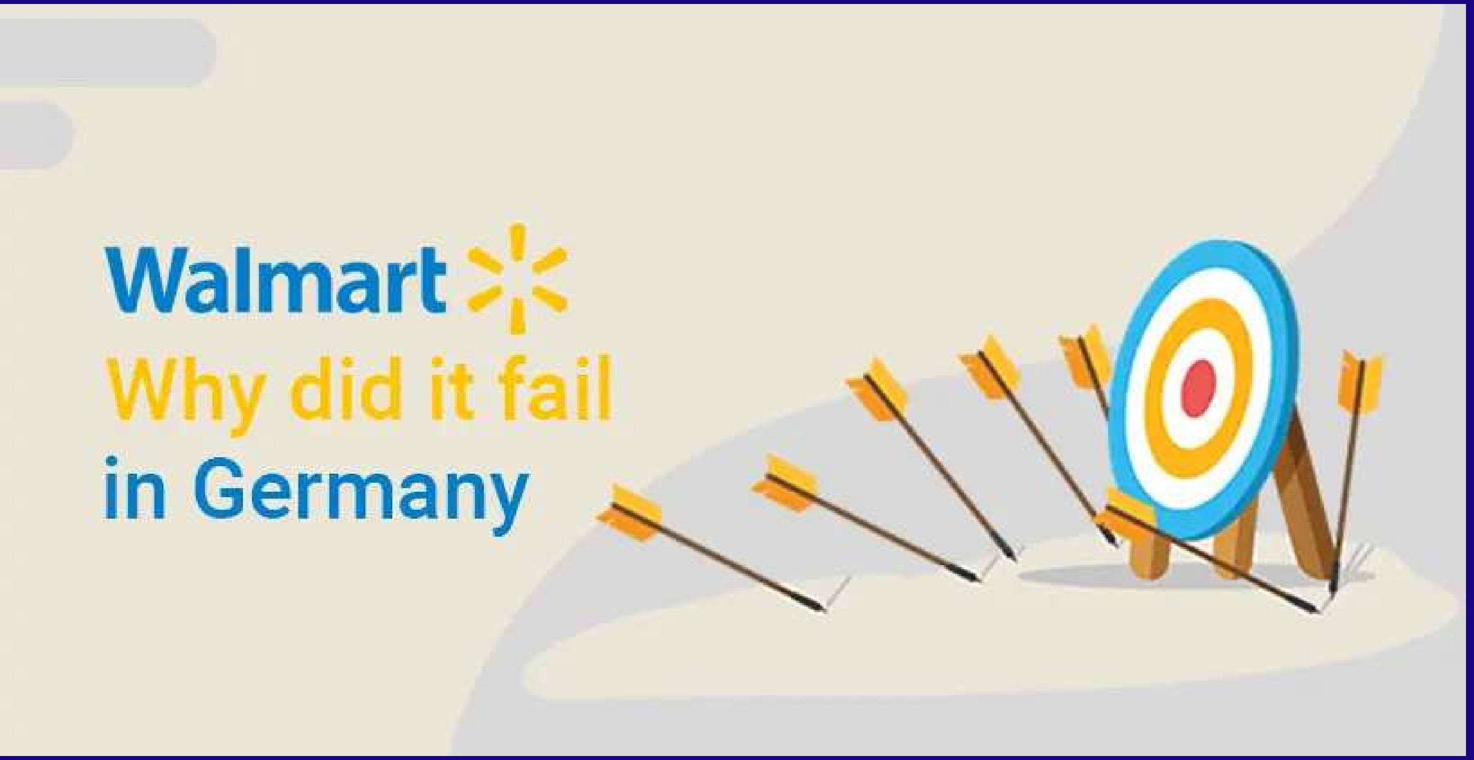
1. Multinational corporations (MNCs) rely on favorable infrastructure and conditions within nation-states to operate, even as they have become extremely powerful global actors themselves.

2.the relationship between MNCs and the state is complex - states try to attract MNCs through incentives but also regulate them, while MNCs try to influence policy in their favor.

3. the "institutionalist" perspective instead focuses on how key institutions (state, legal system, financial system etc.) constitute the social organization of countries and shape management practices. The concept of "business systems" ties together the institutions that influence organizational practices.

4. inessence, institutionalists see economic activity as socially embedded within national institutional contexts. This challenges universalist perspectives on best practices in areas like HRM.

CASE STUDY



When Walmart entered Germany in 1997 by acquiring retailer Wertkauf, it failed to adapt its disruptive hyper-efficiency model to Germany's consensus-based business system. Strict regulations on hours and labor, collaborative norms, and entrenched local opposition constrained Walmart's cost-cutting strategy based on scale, forcing exit in 2006. This demonstrates how national institutional environments can sharply limit global corporate strategy when companies don't accommodate local contexts.

WHY?

Labor laws and regulations

Germany has strong labor unions, works councils, and regulations around working hours and conditions that clashed with Walmart's extreme cost-cutting labor strategies.

Lack of supply chain scale

Tough regulations made it harder for Walmart to consolidate suppliers and obtain the purchasing scale it normally uses to force down prices.

Shopping hour restrictions

Regulations around permitted store opening hours prevented Walmart from taking advantage of 24/7 operations to leverage supply chain efficiencies.

Cultural mismatch

Germany's cultural norms around consumer protection, fair competition with small stores, and consensus-oriented business clashed with Walmart's ruthless execution.

conclusion and summary

Globalization does not lead to total convergence in the economic organization and practices of firms in different countries, and the nation state plays a key role in regulating and coordinating economic activity. Multinational corporations are highly dependent on infrastructure and favorable operating conditions within the nation state even though they have become highly global actors. Their relationships with states are varied and complex. In essence, national systems constrain the strategies of global firms, demanding considerable adaptation to local contexts. The institutional view better situates economic action as embedded in distinct but evolving national frameworks, rather than determined by fixed cultural factors.

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THANK YOU

FOR YOUR ATTENTION

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Jangan tanya aku apapun ya

Aku males