

The background of the slide is a photograph of a modern, multi-story building with a curved facade and large windows. The image is overlaid with a semi-transparent blue circular graphic that frames the text. The overall scene is a city street with other buildings and parked cars visible in the background.

‘Ethnocentric Organisations:
How hosts perceive MNCs
using HR policies as a
means of domination’

EIASM 4th Workshop on
International Strategy and
Cross Cultural Management

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Introduction

- How host country nationals (HCNs) perceive that multinational companies (MNCs) use HR policies as a means of domination.
- How other policies might also be seen as a means of domination.

Ethnocentric HR Policies

- Diversity policies and programme as an example to demonstrate that multinational companies' (MNCs') imposition of ethnocentric policies are often perceived by the host country nationals (HCNs) as a means of domination

Ethnocentric policies on diversity seen as neo-colonialism

- We concentrate on the views of mainly non-Western recipients (often developing economies) of ethnocentric policies –
- Differs from the study of HRM in US, Japan & Germany, presented yesterday where convergence was found:
 1. the world's 3 leading economies;
 2. i.e. 'Western' nations;
 3. with no past colonial relationships between them.

Ethnocentric policies on diversity seen as neo-colonialism (2)

- ‘Double standard’ – imposing on the hosts values and policies which are not fully practised in the parent country, e.g. gender equality.

Expatriates and International Managers

- Some foreigners act in a patronising manner or with moral superiority, imposing so-called ‘international best practices or standards’ on host country nationals.
- ‘one size fits all’ approach.
- But host countries are not without their own problems.

Potential conflicts of interest in Sharia compliant financial institutions (1)

- 1 All transactions are essentially commodity or property based - considerable potential for self-dealing
- 2 Many transactions are off-balance sheet – lack of transparency
- 3 Allocation of profits – often discretionary, giving rise to conflicts of interest

Potential financial institutions conflicts of interest in Sharia compliant (2)

- 4 Considerable scope for insider dealing – Islamic scholars on Sharia board involved with no defined relationship to institutions in the context of Western corporate structure
- 5 Legal uncertainties – disputes amongst Sharia scholars about the interpretation of law; governing law etc.

Factors linked to resistance to diversity policies: often seen as harming 'cohesion'

- Gender
- Nationality and Citizenship
- Ethnic Groups
- Tribe/clan/class
- Religion
- Language Group
- Age (young/old)
- Sexual orientation and conduct
- Disability
- Ability

Equal Opportunities Monitoring

Equal Opportunities

City University, confirms its commitment to equal opportunities in all its activities. The University must not discriminate against an applicant on any of the following grounds: political belief, gender, sexual orientation, age, disability, marital status, race, nationality, ethnic origin, religion or social background.

The information you give is in confidence, and will not be seen by, nor made known to, any sector. It will be used only to monitor the operation of the Equal Opportunities Policy and will not be made available to Admissions Tutors.

a. Tick one of the following boxes if you wish to declare a disability or long-term medical condition.

- | | |
|---|---|
| <input type="checkbox"/> 00 None | <input type="checkbox"/> 05 You need personal care support |
| <input type="checkbox"/> 01 You have a specific learning difficulty (eg dyslexia) | <input type="checkbox"/> 06 You have mental health difficulties |
| <input type="checkbox"/> 02 You are blind or partially sighted | <input type="checkbox"/> 07 You have an unseen disability (e.g. diabetes or epilepsy) |
| <input type="checkbox"/> 03 You are deaf or have a hearing impairment | <input type="checkbox"/> 08 You have two or more of the above |
| <input type="checkbox"/> 04 You have mobility difficulties or are a wheelchair user | <input type="checkbox"/> 09 You have a disability or special need not listed above (please specify) |

b. Tick one box from the following list which best describes your ethnic origin.

11 White (British)

12 White (Irish)

19 White (other)

21 Black or Black British (Caribbean)

22 Black or Black British (African)

29 Other Black background

31 Asian or Asian British (Indian)

32 Asian or Asian British (Pakistani)

33 Asian or Asian British (Bangladeshi)

34 Asian or Asian British (Chinese)

39 Other Asian background

41 Mixed (White and Black Caribbean)

42 Mixed (White and Black African)

43 Mixed (White and Asian)

49 Other Mixed background

80 Other ethnic background

90 Not known

98 Information refused

Print Form

Other Ethnocentric Policies which tend to be imposed by dominant nation(s)

- Anti-corruption measures, e.g. TI
- Corporate governance
- Regulation of financial services/Compliance
- Anti-money laundering/Counter Terrorist Finance measures

Examples of domination by one country seen yesterday

- Quantitative rather than qualitative research
- Journal articles – e.g. UK's RAE
- HR policies in 3 'Western' nations

The Way Forward?

- More sensitivity to local/regional situations and circumstances, otherwise:
- Imposing parent country policies can trigger ‘violent reactions’ from host nations; or
- Resulting in a total ‘wholesale’ transplant of a foreign system that will not work

Others issues to be explored

- Other factors influencing the management of MNCs: e.g. lawyers may interpret 'honesty' differently:
- Dishonesty matters in terms of fixing someone with liability
- Knowledge can 'taint' your 'honesty': e.g. bona fide purchaser of stolen goods vs mala fide

Others issues to be explored (2)

- Even within the same country, large MNCs dominating SMEs in standard setting, leading to SMEs being forced out of business or absorbed by large MNCs, leading to monopolies? – and what is the dominant force in this context???