

A Strategic Approach to International Training A Contingency Based Global Training Model

David O Hartman and Mohammad N Elahee

Volume 16, Number 1, 2013

URI: <https://id.erudit.org/iderudit/1019117ar>

[See table of contents](#)

Publisher(s)

Management Futures

ISSN

1481-0468 (print)

1718-0864 (digital)

[Explore this journal](#)

Cite this article

Hartman, D. O. & Elahee, M. N. (2013). A Strategic Approach to International Training: A Contingency Based Global Training Model. *Journal of Comparative International Management*, 16(1), 53–72.

Article abstract

Training issues are complex regardless of the size or location of the actors involved. As firms make their way up the ladder of internationalization, the contextual nature of training as well as the limitations of its generalizability can inhibit its effectiveness in sharing between the various organizational sub-units, particularly those with different national cultures. In light of this, a model matching appropriately designed training regimens with the suitable type of international business operation is proposed in this paper. A number of propositions are also drawn from the model. The paper concludes with a discussion of the implications of the model and possible future research.

A Strategic Approach to International Training: A Contingency Based Global Training Model

by

David O. Hartman and Mohammad N. Elahee
Quinnipiac University, U.S.A.

Training issues are complex regardless of the size or location of the actors involved. As firms make their way up the ladder of internationalization, the contextual nature of training as well as the limitations of its generalizability can inhibit its effectiveness in sharing between the various organizational sub-units, particularly those with different national cultures. In light of this, a model matching appropriately designed training regimens with the suitable type of international business operation is proposed in this paper. A number of propositions are also drawn from the model. The paper concludes with a discussion of the implications of the model and possible future research.

1. Introduction

Concurrent with globalization and technological advancements, business firms all over the world, and particularly in the US, have been experiencing increased challenges emanating from radical changes in their organizational structure and operations. Notable among these changes are increased outsourcing, and consequently, transfer of US jobs to other countries; adoption of Three Dimensional (3-D) printing in the production process; greater reliance on sub-contractors; shorter product life cycle requiring continuous development of new products and ideas; higher and more frequent use of temporary workers than before; emergence of flexible work hours etc., just to name a few. Such changes call for a critical examination of how business firms manage their human resource management (HRM) policies and practices, which are considered key to ensuring competitive advantages of a firm (Bartlett and Ghoshal, 1989).

While HRM constitutes a number of inter-related activities that have been widely studied over the past 50 years, this paper is concerned with training, which is one of the most important HRM functions. Over the past few decades, US based multinational enterprises (MNEs) have made significant

changes in their HRM practices partly to respond to the aforementioned challenges and also to remain viable and ahead of the curve in the face of stiff competition from firms in other countries. As a key component of HRM, managerial training has received a great deal of attention from researchers as well as practitioners. Indeed, following Taylor, Beechler and Napier (1996), it can be argued that MNEs can enhance their international competitiveness by developing a proper training method that would enable transferring their organizational competencies across their global operations.

We further argue that training, in addition to being an effective tool for sharpening managerial skillsets, is also a vehicle for instilling corporate culture among the workforce scattered around the globe. Moreover, increased regulations on various issues ranging from employment discrimination to workplace safety require training on a constant basis to keep managers and employees informed about new statutes and regulations in the home as well host countries. Last, but not least, in this age of job-hopping and off-shoring, training can be an enticing means for attracting, developing, and retaining an effective workforce.

It is generally believed that HRM practices are quickly diffused and widely accepted by MNE subsidiaries located around the globe. Subramony (2006) however challenges this traditional wisdom and shows that HRM practices do not enjoy a high rate of adoption. Parry, Dickmann and Morley (2008) also report that US MNEs often fail to transfer their HRM practices to their subsidiaries. Given such evidence of the low success rate of transfer of HRM practices across subsidiaries coupled with the emergence of a fast changing work environment characterized by uncertainties, a crucial question for MNEs is how to design and deliver effective training that can enhance the competitiveness of the firm.

While the nature and effectiveness of different types of corporate training programs in raising employee morale motivation and satisfaction have been widely studied for the past 50 years (Delaney and Huselid, 1996; Huselid, 1995), not much is known about whether the advent of global business may have changed the context in which training is viewed and discussed. The quality of HRM in the international arena is, in many cases, considered even more important than in domestic operations (Tung, 1984). Existing literature documents a direct link between training and financial performance (Guest, Michie, Conway and Sheehan, 2003; Wood and de Menezes, 1998) as well as organizational performance (Heery and Noon, 2001; Pfeffer and Salancik, 1978). Training, therefore, should also be examined from the viewpoint of corporate strategy.

Given the nature of the current business environment characterized by constant change and unpredictability, this paper argues for a contingency

approach to training. Utilizing a strategic role model of international subsidiaries in MNEs proposed by Bartlett and Ghoshal (1986) along with a model of Strategic International Human Resource Management (SIHRM) devised by Taylor et al. (1996) as a proxy for training complexity, this paper offers a new model which features a contingency approach to international training. The proposed approach is based on the premise that the type of training employed by a particular MNE subsidiary unit should be based upon the strategic position which the unit occupies within the range of the MNEs international operations.

This paper links various concepts of international human resource management (IHRM) propagated by Schuler, Dowling and DeCieri, (1993) and Taylor et al., (1996) as well as strategic human resource management (SHRM) with training. It should be noted here that an IHRM system is a set of distinct activities, functions and processes that are directed at attracting, developing and maintaining an MNE's human resources- it manages people both at home and overseas (Lado and Wilson, 1994; Schuler et al., 1993). SHRM on the other hand, explicitly links HRM with the strategic management processes of the organization and emphasizes coordination or congruence among the various HRM practices (Schuler and Jackson, 1987).

The remainder of the paper is organized as follows. First, a review of the relevant IHRM literature is presented to set the context for the discussion of training, which is the main thrust of this paper. This is followed by a critique of the current models and a comparison of different models with the proposed contingency based model is proposed. In the next section, a new series of propositions drawn from the proposed model are presented and the discussed. The paper concludes with a discussion on the managerial and research implications of the model as well as its limitations.

2. Literature Review

Managerial training is a widely researched topic within the field of human resource management as evidenced by a large body of literature available on the topic. We find three traditions within this area: writing of text and trade books, usually written with a normative approach; case studies, which are usually descriptive in nature, illustrating the challenges of training by highlighting a particular firm or situation; and finally, research papers published in academic journals. Several strands can also be found within the tradition of research papers such as conceptual work, prescriptive models, empirical analysis of extant frameworks, etc. Since the current paper belongs to the third tradition, this section mainly reviews the seminal work published in academic journals.

A review of relevant literature reveals two recurring schools of thought

in the study of IHRM practices: the ***Rationalist School*** of thought and the ***Institutional School*** of thought. While documenting the various facets of these two schools of thought, Adeleye (2011) emphasizes the need for combining various approaches found within these schools of thought by MNEs.

2.1 MNEs and Training

Within the IHRM literature, we find a large body of work on training. In their seminal work, Schuler et al. (1993) identified four factors endogenous to MNEs which influence SIHRM and hence training:

- 1) organizational competitive strategy (Dowling/Schuler, 1990; Schuler/Jackson, 1987)
- 2) headquarters international orientation (Heenan/Perlmutter, 1979)
- 3) organizational structure (Dowling, 1989; Brewster/Hegewisch, 1994)
- 4) experience in international business (Dowling, 1989)

Previous researchers (Heskett, Jones, Loveman, Sasser and Schlesinger, 1994; Goldstein, 2003) have provided a theoretical framework which links training, as a part of SHRM, with employee development, as well as the employees' and the firm's performance. Since SIHRM attempts to squarely place IHRM in a strategic context (Schuler et al., 1993), this paper links international training systems with strategy. Specifically, this paper links the international training aspect of SIHRM as presented by Taylor et al. (1996), with the typology model of the strategic roles of MNE subsidiary units of Bartlett and Ghoshal (1986) in order to highlight the varying needs and abilities which these units have regarding training needs and capacities. This linkage will highlight the varying training needs and capacities of the international presence of an MNE and will support the case for a contingent approach when devising and providing training throughout an international organization.

2.3 Training Issues and Functions in MNEs

De Cieri and Dowling (1997) presented a typology of training types for MNEs at various stages of their international business development which is presented below as Table 1.

Table 1 – Functions and HRM (Training) Issues in Multinational Enterprises

Structural Forms and Modes of Internationalization	HRM (Training) Issues and Functions
Export	Limited Training Roles or Issues
Establishment of sales subsidiaries foreign branch offices	Major issue: Staffing with PCNs or HCNs
Establishment of foreign production	Major issue: Technology and Management knowledge Transfer to HCNs
Global product or area division by product standardization or diversification	Major issue: Fully developed training in subsidiaries
Transnational (matrix or mixed Structure)	Complex issues including the use of TCNs
Cooperative ventures	Major issues: Evaluation and promotion of managers; Corporate loyalty
Inter-organizational networks	Major issues: Increased Complexity; Equity issues

The benefit of this typology is that it matches HRM (training) behaviors with strategic activities associated with varying degrees of sophistication with regard to international business. When a firm is only involved in exporting to foreign markets, these business issues do not require much in the way of HRM beyond what is provided for the purely domestic business of the firm. When the firm begins to establish foreign operations, then the HRM issues change and can be thought of as IHRM issues. For example, should the firm staff the foreign operation with parent company nationals (PCN) or host country nationals (HCN)?

A transnational approach typically involves a multidimensional, matrix structure, although clumsiness and bureaucracy associated with matrix structures has led to an emphasis on inter-unit networking (Ghoshal and Bartlett, 1990). It requires complex IHRM strategies and practices, particularly with regard to staffing international operations. Cooperative ventures, including licensing agreements, strategic alliances and joint ventures, involve issues such as management of corporate loyalty (Hendry, 1994).

De Cieri and Dowling's (1997) typology is a useful matching of function with training from an international business perspective. However, it does seem to lack specificity regarding the manner in which different foreign operations interact with head office (and each other) in terms of their HRM or training needs. For example, a particular subsidiary may have in fact reached the status of a Global Product Manager and will require a fully developed HRM. A question that may be fairly asked at this juncture is should the HRM be a stand-alone variety or should it be developed in an interdependent fashion with other strategically important subsidiaries and head office? It would seem that a globally important sub-unit should provide organizational learning to other locations of the organization if the organization is really to gain the greatest advantages of its global presence. Thus, there is a latent need for a more appropriate strategic role-training model, which this paper proffers in a later section.

2.3 International Training Systems- Convergence or Divergence?

At the present time, many aspects of training are based on a convergence toward the US model since written training materials are expensive to produce locally for relatively small markets (Han-Sui Chow, 1995). A consequence of this convergence is that there is a trend toward instructional programs being developed and presented by individuals who are not members of the target culture. These instructional programs and techniques, however, may not be effective cross-culturally because every culture has its own specific expectations about appropriate instructor behaviors and delivery methods (Burba, Petrosko and Boyle, 2001). Han-Sui Chow (1995) and Thornhill (1993) among others, have found that when a training program is written or delivered by someone who is not a member of the population that will receive it, the program must be adapted to the target audiences and their cultures. The adaptation has to be made to conform to the client's culture and not the other way round (Burba et al., 2001). Viewed from this point-of-view, it would seem that basic cultural differences exist globally that have sufficient strength to prevent training convergence to any single type anytime in the near future.

If the international business goal of an organization is to reach the

transnational business model, where it is the quality of the idea which is paramount and not the country of origin, then it would be reasonable to assume that trans-national training should also be governed by these strictures. That is, training elements should be utilized from the breadth of a firm's international operations which would then ultimately combine in a kind of universal training manual. However, although training elements from different locations may be used throughout a firm's international operations, this does not mean that every subsidiary is in a strategic position to offer training to every other subsidiary. Certain subsidiaries may have roles which are highly interdependent with the head office in a technology developing role while other operations occupy the role of low cost manufacturer and do not have the human resources to become involved at a more strategic level (Bartlett and Ghoshal, 1986).

Indeed, it would seem reasonable to expect subsidiaries which have similar technological or strategic levels would have similar training needs and could benefit the most by some sort of interchange. If competitive strategies depend upon similar behaviors regardless of location of operation, then units pursuing similar strategies are likely to benefit by exchanging information on their HR (training) policies and practices (Schuler et al., 1993). In this situation, having some units serve as creators of knowledge, thus becoming benchmarks for the other units in specific practices, may serve to benefit all units (Pucik, 1992). As a consequence, there would be certain training leaders which would create training practices for other units with similar strategic interests.

However, units which are closely involved in developing particular technologies or marketing programs together will be involved in sharing information on an interdependent basis. Units of MNEs that are pursuing the same competitive strategy will have more mechanisms to share and transfer their learning across units than those which are pursuing different competitive strategies (Schuler et al., 1993). Thus, it should not be surprising to see a situation where interdependent units jointly develop training protocols to benefit their shared business strategy even though they cross national or cultural boundaries.

At the same time, it is possible that some units are more passive in their strategic position in the MNE and their principal focus is to produce products efficiently which are devised by some other unit (Bartlett and Ghoshal, 1986). These units would be more likely to accept training devised at head-quarters and provide it to its employees with limited or even little adaptation to its national and cultural circumstance. Although, this type of training may not be the most suitable for the intended employees, strategic concerns with costs may be the primary factor regarding this approach.

Thus, it is not necessarily the national or cultural circumstance which primarily influences the type of training system which a MNE may adopt, but it

may instead be a particular unit's strategic role which will influence the type of training which it adopts or has influence over. This is not to negate that cultural differences between business units (BUs) may significantly impact SIHRM or training practices. Indeed, a number of scholars have studied this issue (Black, Gregersen and Mendenhall, 1992; Brewster and Hegewisch, 1994) and have come to the conclusion that culture is an important issue when devising SIHRM or training practices.

This paper, however, argues that the prime motivating factor for the types of training provided by an organization should be based on the organization's strategic goals and the manner in which it utilizes its global operations to achieve these goals and not the ease or expense incurred in devising and providing said training. Therefore, if two BUs are interdependent with one another, their training regimens, regardless of their cultural differences, should be created jointly by them so that both sub-units may work in the most effective manner possible for the benefit of the entire firm. Even though this would require greater efforts and costs in the near term in order to create a joint program combining elements from both contributors, this should be viewed as an investment which will provide a substantial return in the future.

2.4 Home Office/Host Country Cultural Issues

Taylor et al. (1996) extended Schuler's model by incorporating Barney's (1991) RBV of the firm as well as the Resource Dependency theory of Pfeffer and Salancik (1978). Utilizing SIHRM as a resource which can confer sustainable competitive advantage, Taylor et al. (1996) devised a SIHRM model system which could be based on one of three basic premises as follows:

- 1) an adaptive SIHRM- HRM in each affiliate is somewhat independent and is constructed to serve local market;
- 2) an exportative SIHRM- top management of an MNC prefers a wholesale transfer of the parent firm's HRM system to overseas affiliates;
- 3) an integrative SIHRM- this attempts to take "the best" approaches from the various international locations and use them throughout the organization in the creation of a worldwide system. Transfers can go in any direction and affiliate practices can be transferred to the parent company or vice versa.

The Taylor et al. (1996) model offers interesting material for consideration when considering an international training model. This model will form the basis of the theoretical framework for the analysis of international training in this paper.

2.5 Adaptive, Exportative or Integrative Training

Taylor et al.'s (1996) formulation presents a typology of SIHRM along with the appropriate international business type. This is one of the first examples of a formal attempt to link the type of international business strategy with a SIHRM type. The Taylor et al. model (1996) is described in Table 2.

Table 2: Global Training Model (Taylor, Beechler and Napier, 1996)

SIHRM Type	International Business Type
Adaptive	Multi-Domestic Strategy
Integrative	Global
	Other Conditions
Exportative/ Integrative	If Management perceives HRM competence as a generalizable resource.

This model considers what the appropriate SIHRM type may be to link to a multi-domestic strategy (Porter, 1986). A multi-domestic strategy indicates that a MNE manages its overseas affiliates as independent businesses. In such a case the local market demands a high degree of adaptation of a firm's products and processes. According to Taylor et al. (1996), this type of strategy should use an adaptive SHIRM, or training style since the adaptive style is meant to provide the local firm with maximum independence with which to serve the local market.

2. 6 SIHRM or Training- A Force for Change?

Taylor et al.'s typology of SIHRM (training) is quite a useful model in pointing management toward matching an appropriate level of training with a particular type of international business strategy. However, if management is interested in developing its international operations towards a more integrated approach, then this typology may be somewhat lacking in detail. For example, a multi-domestic strategy does contend that international subsidiaries basically address their own national markets. However, in large MNEs, not all international operations are equal and some may be more integrated with the home-office than others. In this case an adaptive SIHRM or training type may not serve well these more advanced operations even though it suits other subsidiaries reasonably well.

Similarly, a global business approach most likely includes many country operations which are more or less developed than others and which are able, to a greater or lesser extent, to contribute technological or marketing ideas to advance the home country business level. It would seem that groupings of subsidiaries would naturally occur based on the foregoing which would have similar types of information interchange.

3. Bartlett and Ghoshal's International Subsidiary Typology

Therefore, in thinking of the circumstances which would render one of these training modes more appropriate than another, it may be useful to recall Bartlett and Ghoshal's (1986) article in which they presented a typology of global subsidiary contributing styles. Bartlett and Ghoshal (1986) studied a number of large companies from the US, Europe and Japan from the point-of-view of the way they managed their global operations. They found that regardless of the country of origin, most of these large firms had quite similar methods of viewing the contributions of their various subsidiaries and of managing them.

Bartlett and Ghoshal (1986) labeled these roles as follows:

Strategic Leader- this subsidiary acts as a partner of headquarters in developing and implementing strategy.

Contributor- subsidiary operates in a small market but has a distinctive capability.

Implementer- subsidiary has enough competence to maintain local operations but is not involved in strategic planning.

Black Hole- subsidiary is "caught" in a large market dominated by others.

3.1 A Global Training Model

In our attempt to link the Bartlett and Ghosal typology (1986) of subsidiary roles with the training typology proposed by Taylor et al (1996), we propose the model presented in Table 3.

Table 3
Contingency Based Global Training Model (CBGTM)

Subsidiary Role	Training Type
Independent	Localized
Dependent	Parental
Strategic Partner	Endogenous (Combinatorial)
Strategic Drag	Parental

The Adaptive Training Type is appropriate when a Contributor role is considered for the subsidiary. In this case, the subsidiary is looked upon to develop a local capability which, while valuable to the firm, fits the local context to such an extent that it is not readily generalizable. Training utilized in such a subsidiary may not be particularly useful in other parts of the firm, or at least would not be high on the list for wider dissemination, since its contextual uniqueness would make it expensive to adapt. Therefore, we propose that:

P₁: As compared to other types of training, an adaptive type of training is more appropriate when a subsidiary assumes the role of a contributor.

Bartlett and Ghoshal (1986) described a Contributor as a subsidiary which is able to build up a particular capability which may arise due to its close ties to a National or State government. One example provided by Bartlett and Ghoshal (1986) was the Australian subsidiary of L.M. Ericsson, which was able to build a capability in digital communications switching equipment because the Australian national government insisted on a substantial domestic content on contracts signed with MNEs. The local subsidiary also built up a substantial R&D component independent of, and perhaps even at odds with, headquarters.

In this case, since the technical expertise that was developed in the Business Unit was, at least to some extent, independent of the headquarters approach, it would likely not lend itself to easy integration with the headquarters sanctioned technology. Because of this, it would not be expected that these organizational routines would be transmitted through integrative training devised in conjunction with other BUs or headquarters, but rather would be of a type adapted from headquarters style and intended for the exclusive use of the subsidiary. An organization with a Polycentric organization design would utilize this type of training (Perlmutter, 1965). Noble (1997) indicated that although USA headquartered MNEs were ethnocentric regarding their competitive strategies, they were polycentric regarding training and development (Parry, Dickmann and Morley, 2008).

An Exportative Training type is appropriate when considering a global business system which is made up of a large number of Implementers. In this case, the Implementers role is to deliver value in the most efficient manner possible and it would seem reasonable to presume that with a training system exported from headquarters, cost could be reduced and operations streamlined. We could consider such a training type to reflect an Ethnocentric view towards these subsidiaries (Perlmutter, 1965). Therefore, we hypothesize:

P₂: As compared to other types of training, an exportative type of training is more appropriate when a subsidiary assumes the role of an implementer.

Implementers are typically found in smaller markets, such as smaller European or Latin American countries for example, where the market potential is limited and the corporate resource commitment is similarly limited. Since these subsidiaries typically do not get involved in strategy creation they likely do not require the same total level of training as headquarters. However, they do need to be efficient and thus would be good candidates for receiving Exportative Training developed at head-office or by a strategic leader. The Implementers purpose in the global strategy is to provide economies of scale and thus they must keep costs down in order to fulfill this role satisfactorily. It is quite common, for example, that HRM practices are transferred from the USA to subsidiaries via a sort of Anglo-saxonization to subsidiaries in Europe (Egan and Bendick, 2003; Poutsma, Ligthart and Schouten, 2005).

There can be situations, however, in which implementers may be found in large, developed countries like the US. For example, German headquartered MNEs such as Volkswagen, Siemens and BMW, to name a few, have found it necessary to export elements of the German training system to the US in order to train machinists and other highly skilled factory workers for their US plants (Fuhrmann, 2012). Thus, even though the US is home to many strategically important MNEs, it also serves as an implementer in some industries, such as the auto industry, and it is in fact receiving Exportative training since the operations in the US for some MNEs are not at the strategic leader stage.

Since subsidiaries that function as Strategic Leaders are very important for the future direction of the firm, it would be reasonable to expect that training regimens be developed and shared in an Integrative manner, in concert with headquarters and other subsidiaries which are strategically involved at a similar level. In this circumstance, the firm would attempt to create a geocentric training system (Perlmutter, 1965) and would adopt, and adapt, training aspects which seem to provide both home office and host country operations with competitive advantage. Therefore, we hypothesize,

P₃: As compared to other types of training, an integrative type of

training is more appropriate when a subsidiary assumes the role of a strategic leader.

In this case, MNEs would realize that there are particular technologies or approaches which are possessed by many domestic firms in the countries that they compete in and which can be well utilized in other markets. For example, miniaturization is a set of technologies which are well developed in many Japanese electronics firms and varied and creative marketing and advertising approaches are a particular strength in the US across a range of industries. MNEs with strategic operations in these or other countries may wish to develop training with the integrative involvement of such subsidiaries and would, as a result, develop training which could be quite different than if they chose a solely head office approach.

Training, as a part of the larger HRM set of practices, can also be influenced by micro-political forces at the level of the subsidiary. For example, Edwards, Colling and Ferner (2007) described an un-named American MNE which they called 'Engineering, Inc.', that experienced a reverse transfer of approach concerning international HR policy creation. The 'revolt' of one European HR manager, supported by other non-US managers, was sustained by the argument that in order for Engineering, Inc. to truly pursue its global business aspirations, it would need to have greater international input in the formulation of HRM policy (Edwards et al., 2007). In this case, the agency of subsidiary managers created the opportunity for the subsidiaries to bargain their way to greater formal responsibility and to create a circumstance whereby an integrative approach to HRM was formed. This example suggests that since an Integrative HRM may develop in a reactive manner in a MNE in time anyway, a proactive, headquarters driven Integrative training program could be beneficial since it enlists subsidiary managers in a positive and creative pooling of interests approach.

The Black Hole is certainly a drain on the firm's resources and might be considered a solution seeking a problem to solve. That is, the parent may be a successful MNE, but a particular subsidiary, Philips in Japan or Matsushita in Germany, for example (Bartlett and Ghoshal, 1986) may be so irrelevant in those respective markets that they don't even merit having a training regimen be provided to those employees. It may be thought, however, that although the subsidiary may not be contributing very much to the organization overall, and may even be a drain of resources, it still may make sense to provide training, if for no other reason than to maintain the firm's reputation. Therefore, we hypothesize that

P₄: As compared to other types of training, an exportative type of training is more appropriate when a subsidiary assumes the role of a black hole.

For the longer term future of the subsidiary, Bartlett and Ghoshal (1986) suggest that perhaps a strategic alliance, such as a joint venture, may be the best solution. In that case, the Black Hole could be considered as an opportunity for organizational learning but from an external point of view (Kogut, 1988). The subsidiary's interest would then be to learn about market developments without an independent training approach as discussed with the other subsidiary types, since it serves primarily as a conduit to head-office of new technological or marketing ideas.

3.2 Comparison of Models

The Taylor et al. (1996) model is a good one for highlighting the flexibility required by a MNE in utilizing its SIHRM (training) system as core competence. Its primary weakness is that it tends to treat all parts of a MNE similarly and assumes that there is minimal information sharing between units unless the firm is global in its approach. That is, although a MNE may have a basic multinational approach, for example, there are likely quite substantial differences between the collaborative efforts of some of the larger units and the smaller ones, and simply conceding that this type of international strategy should have an adaptive training system may limit its creativity and growth.

Similarly, the Taylor et al. (1986) model suggests that a global international strategy should be supported by an integrative training system. Subsidiary units of the same MNE in different countries, and different industries usually have different training systems, and the effort and expense required to obtain even a limited degree of similarity can be quite great. Thus, while it sounds quite efficient to develop similar training programs across many national borders and industries, it is in fact quite inefficient and probably unnecessary.

However, what is efficient and necessary is to have subsidiary units which function together on the same projects ensure that their training, and their SIHRM, is harmonized, so that they can jointly develop their important facets of the MNEs overall international strategy. It is in this regard that the CBGTM makes a contribution.

The CBGTM utilizes Bartlett and Ghoshal's (1986) classic typology of subsidiary roles in a MNEs organizational structure and utilizes the strategic role of the subsidiary as the basis for its training type. In this way, important resources of time and money are channeled in the most effective way to this activity on an internationally strategic basis. The CBGTM also includes differences in technological sophistication and market potential to be assumed under the mantle of organizational strategy.

Thus, the CBGTM adopts a contingency approach to the subject of training. It views the type of interconnectedness that international subsidiaries have with head office as the chief criterion for the type of training which is to be provided by particular subsidiaries. In the language of Perlmutter (1965), it views each subsidiary from the point-of-view of its role in executing the organization's global strategy. Thus, it may view one subsidiary from a polycentric point of view; for example a Contributor with an Adaptive Training System. Another subsidiary may function as an Implementer utilizing an Exportative Training System and Home Office could be considered to be ethnocentric in its view of this particular subsidiary. Finally, Home Office would be considered to have a geocentric view of its Strategic Leader subsidiaries with which it jointly develops an Integrative Training System.

Should a particular market begin to assume greater importance in the strategic operation of the MNE, then there will be greater resources placed into this market and the CBGTM will indicate that greater training interdependence should be made between this unit and the other Strategic Leaders. Although this model does not do much to bring up the level of Contributor or Implementer type units, it is not intended as prescriptive in intent. It is meant to be descriptive in nature and to provide a theoretical basis for what may be already taking place in many MNEs.

4. Managerial Implications

One implication of this model is that if particular sub-units wish to move up higher in the strategic decision making of the MNE, they may not find a great deal of support to accomplish this from the Head Office. This is because the CBGTM takes at face value the strategic position of the various sub-units and seeks to provide the most efficient training system relative to the existing strategic framework. It would seem that if a sub-unit wished to advance itself, then it might look to local and national governments for tax or education support. Greater national capabilities in terms of technical or engineering talent would also benefit the various governmental entities in the form of increased tax revenues which generally accrue from an increased strategic position and higher value-added products or services.

It goes without saying that developing and implementing an effective training program requires a substantial expenditure of resources. This paper proposes a model that can be implemented by MNEs with different types of management philosophies (e.g., ethnocentric, polycentric, geocentric, etc.). This model also offers the flexibility for a MNE to design different types of training programs for its various subsidiaries based on the specific roles played by a given subsidiary. By proposing a simple, structured yet flexible and

inclusive training system, this model offers the hope that MNEs, by adopting this training model, can save limited resources and time currently devoted to developing different training regimens and spend them more wisely in other areas where they are needed.

5. Conclusions

Although simple in design, the proposed model brings some needed clarity to a somewhat murky topic. Even though at the first glance the model's reliance on the strategic role, as described by Bartlett and Ghoshal (1986), may seem excessive, it does point to a logical screening method for determining how to manage the business of training.

This paper sets the stage for further work in the area of training programs by MNEs facing intense international competition. The next logical step should be to empirically test the propositions presented in this paper. Future researchers should also look at unique micro-level and macro-level issues of a given location that may require modification in their training modules. In particular, future researchers should examine the link between different types of isomorphism identified by DiMaggio and Powell (1983) and corporate training programs. Future researchers should also examine if the proposed model would apply to international organizations and NGOs that are increasingly becoming international. Finally, researchers should also examine how this model can be adapted to fit the needs of newer forms of organizations such as virtual organizations or firms that rely largely on outsourcing and subcontracting.

While much work lies ahead, this paper is presented as a prelude to further studies on training from a corporate strategy point of view. It is hoped that this study will spur further research interest in this area and help managers and researchers alike in gaining a better understanding of how training programs can be designed so as to achieve the desired results.

References

- Adeleye, Ifedapo. 2011. Theorizing the Diffusion of Human Resource Practices: Toward An Integrated Conceptual Approach. *International Journal of Business and Management*, 6 (12): 254 – 269.
- Barney, J. 1991. Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17: 99-120.
- Bartlett, C. and Ghoshal, S. 1986. Tap Your Subsidiaries For Global Reach. *Harvard Business Review*, November/December.

- Bartlett, C. and Ghoshal, S. 1989. *Managing Across Borders: The Transnational Solution*. Boston: Harvard Business School Press.
- Black, J.S., Gregersen, H.B. and Mendenhall, M.E. 1992. *Global Assignments*. San Francisco, CA: Jossey-Bass.
- Brewster, C. and Hegewisch, A. (Eds.). 1994. *Policy and Practice in European Human Resource Management*. London: Routledge.
- Burba, F.J., Petrosko, J.M. and Boyle, M.A. 2001. Appropriate and inappropriate instructional behaviors for international training. *Human Resource Development Quarterly*, 12 (3): 267-283.
- De Cieri, H. and Dowling, P.J. 1997. Strategic International Human Resource Management: An Asia-Pacific Perspective. *Management International Review*, 37, 21-43.
- Delaney, J.T and M.A. Huselid. 1996. The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 39 (4): 949-969.
- Dimaggio, P. and Powell, W. 1983. The Iron Cage Revisited: Institutional Isomorphism And Collective Rationality In Organizational Fields. *American Sociological Review*, 48, 147-160.
- Dowling, P.J. 1989. Hot issues overseas. *Personnel Administrator*, 34 (1): 66-72.
- Dowling, P.J. and Schuler, R. 1990. *Comparative Labour Law and Industrial Relations In Industrial Market Economies*. R. Blanpain (Ed.) Deventer: Kluwer.
- Edwards, T, Colling, T. and Ferner, A. 2007. Conceptual Approaches To The Transfer Of Employment Practices In Multinational Companies: An Integrated Approach. *Human Resource Management Journal*, 17 (3): 201-217.
- Egan, M-L. and Bendick, M. 2003. Workforce Diversity Initiatives of US Multinational Corporations in Europe. *Thunderbird International Review*, 45 (6): 701-727.
- Fuhrmann, V. 2012. Germany's New Export: Jobs Training. *Wall Street Journal*, B1, B2., June 14.

- Ghoshal, S. and Bartlett, C.A. 1990. The Multinational Corporation as an Inter-Organizational Network. *Academy of Management Review*, 15: 603-625.
- Goldstein, S.M. 2003. Employee Development: An Examination of Service Strategy in a High-Contact Service Environment. *Production and Operations Management*, 12 (2): 18-34.
- Guest, D., Michie, J., Conway, N. and Sheehan, M. 2003. Human resource management and corporate performance in the UK. *British Journal of Industrial Relations*. 41: 291-314.
- Han-Sui Chow, I. 1995. Management Education in Hong Kong: Needs and Challenges. *International Journal of Educational Management*, 9 (5): 10-15.
- Heenan, D.A. and Perlmutter, H. 1979. *Multinational Organization Development: A Social Architectural Perspective*. Reading, MA: Addison-Wesley.
- Heery, E. and Noon, M. 2001. *A Dictionary of Human Resource Management*. Oxford: Oxford University Press.
- Hendry, C. 1994. *Human Resource Strategies For International Growth*. London: Routledge.
- Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser Jr., W.E. and Schlesinger, L.A. 1994. Putting The Service-Profit Chain To Work. *Harvard Business Review*, March-April, 164-170.
- Huselid, M.A. 1995. The Impact of Human Resource Management Practices On Turnover, Productivity And Corporate Financial Performance. *Academy of Management Journal*, 38(3): 635-672.
- Kogut, B. 1988. Joint ventures: Theoretical and Empirical Perspectives. *Strategic Management Journal*, 9 (4): 319-332.
- Lado, A. and Wilson, M. 1994. Human Resource Systems and Sustained Competitive Advantage: A Competency-based Perspective. *Academy of Management Review*, 19: 699-727.
- Noble, C. 1997. The Management of Training in Multinational Corporations: Comparative Case Studies. *Journal of European Industrial Training*, 21, (Feb/March): 102-110.

- Parry, E., Dickmann, M. and Morley, M. 2008. North American MNCs and Their HR policies in Liberal and Coordinated Market Economies. *The International Journal of Human Resource Management*, 19 (11): 2024-2040.
- Perlmutter, H.V. 1965. Three Conceptions of A World Enterprise. *Revue Economique and Social*, May.
- Pfeffer, J. and Salancik, G. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row.
- Porter, M.E. 1986. Competition in Global Industries: A Conceptual Framework. In M. Porter (Ed.), *Competition in Global Industries*. Boston, MA: Harvard Business School Press.
- Poutsma, E., Ligthart, P. and Schouteten, R. 2005. Employee Share Schemes In Europe: The Influence of US Multinationals. *Management Revue*, 16 (1): 99-122.
- Pucik, V. 1992. Globalization and Human Resource Management. In V. Pucik, N.Tichy and C. Barnett (Eds.) *Globalizing Management: Creating and Leading the Competitive Organization* (PP. 61-84) New York, NY: Wiley
- Schuler, R.S., Dowling, P.J. and DeCieri, H. 1993. An Integrative Framework of Strategic International Human Resource Management. *International Journal of Human Resource Management*, 4 (4): 717-64.
- Schuler, R.S., Budhwar, P.S. and Florkowski, G.W. 2002. International human Resource Management: Review and critique. *International Journal of Management Reviews*, 4 (1): 41-70.
- Schuler, R.S and Jackson, S.E. 1987. Linking Competitive Strategies With Human Resource Management Practices. *Academy of Management Executive*, 1: 207-219.
- Subramony, Mahesh. 2006. Why Organizations Adopt Some Human Resource Practices And Reject Others: An Exploration Of Rationales. *Human Resource Management*, 45(2): 195-200.
- Taylor, S., Beechler, S. and Napier, N. 1996. Toward an Integrative Model of Strategic International Human Resource Management. *Academy of Management Review*, 21(4): 959-985.

- Thornhill, A.R. 1993. Management Training Across Cultures: The Challenge for Trainers. *Journal of European Industrial Trainer*, 17 (7): 43-51.
- Tung, R.L. 1984. Strategic Management of Human Resources in Multinational Enterprises. *Human Resource Management*, 23 (2): 129-143.
- Wood, S. and de Menezes, L. 1998. High Commitment Management in the UK: Evidence From the Workplace Industrial Relations Survey and Employers Manpower and Skills Survey. *Human Relations*, 51 (4): 485-515.