Challenges and strategies for global human resource executives: Perspectives from Canada and the United States

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Summary   This article examines the pressing challenges faced by global human resource executives and the strategies that are used to address those challenges at the macro, meso and micro levels. Semi-structured interviews are conducted with 26 Canadian and American HR executives. The challenges include the degree of standardization of HR, foreign industrial relations, time zones, cross cultural differences and communication, expatriates' adjustments, inflexibility, and work family balance. To deal with those challenges, the executives encourage stronger partnerships with the subsidiaries, diversity in recruitment, paying closer attention to changes in labor laws, cross cultural training and development, leadership development, and cultural sensitivity.
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Introduction

Globalization poses various challenges for human resource (HR) executives. At the macro (or organizational) level, some businesses still struggle with the extent to which human resource management (HRM) policies and practices are standardized while respecting local customs, traditions and needs (Chen & Eldridge, 2010; Tregaskis, Heraty, & Morley, 2001). Furthermore, global HR executives will have to be cognizant of the foreign employment laws and grapple

with managing stakeholders' interests on the domestic and global platforms (Forstenlechner, 2010b; O'Sullivan, 2010; Posthuma, Roehling, & Campion, 2006). Extending the work of Bartlett and Ghoshal (1989) which investigates the influence of headquarter on its subsidiaries, Rosenzweig and Nohria (1994) find that HRM practices reflect local practices more closely when the subsidiary is founded by acquisition, when there is heavy dependence on local resources, lesser presence of expatriates, and weaker communication between the two organizations. At the meso (or group) level, a lack of knowledge about cross cultural business etiquettes may result in embarrassing and costly cultural faux pas (Shapiro, Ozanne, & Saatcioglu, 2008). At the micro (or individual) level, there are numerous issues pertaining to the

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expatriates and host country nationals. For example, the lack of language skills can present a communication challenge for the expatriates and host country nationals (Forster, 2000; Selmer, 2006). Expatriates who have a poor cultural fit may also experience adjustment difficulties (Selmer, 1999).

In order to respond to these challenges, global HR executives are compelled to search for strategies and practices that will render their organizations successful. At the macro level, strategic global HRM is used to ensure that the organization's overarching values, objectives and goals are supported by the HR policies, procedures and practices (Brewster & Suutari, 2005; Labedz & Lee, 2011). At the meso level, HR executives are mainly concerned with dealing with issues relating to unions in the host country (Millar & Choi, 2008). At the micro level, HR executives are attempting to foster a global mindset among the workforce through developing HR competencies and business-related competencies (Bennett, Aston, & Colquhoun, 2000; Forster, 2000; Levy, Beechler, Taylor, & Boyacigiller, 2007).

Given the focus on international trades and foreign direct investments by the Canadian and American businesses and governments (Foreign Affairs and International Foreign Affairs, 2011; World Investment Report, 2011), there are theoretical and practical reasons for understanding the challenges faced by HR executives as well as the strategies used by these executives in overcoming those challenges. The extant literature on international HRM has mainly focused on the micro aspects, such as expatriate selection, development, reasons for failure, remuneration, talent management, and post assignment issues (Bennett et al., 2000; Biemann & Andresen, 2010; Dalton & Druker, 2012; Edwards & Rees, 2011). Our study makes a contribution to the literature by integrating the macro, meso and micro levels faced by several global HR executives and their responses to these challenges. For the purposes of this study, a set of semi-structured interview questions was designed and 26 executives with global HRM responsibilities from various industries were interviewed in Canada and the United States (US). The responses were analyzed with NVivo and the themes were organized into three levels. We begin with a review of the literature.

Literature review

Challenges faced by global HR executives

The extant literature on international HRM has focused on a multitude of challenges faced by global HRM executives. At the macro level, HR executives are concerned with the global coordination and alignment of HR policies and procedures to the business goals. A major challenge in this area is having the knowledge about the extent and limitations to which HR policies and procedures can be standardized across the globe (Björkman & Budhwar, 2007; Dalton & Druker, 2012; Lu & Björkman, 1997). While there might be some overarching global policies and procedures that are used to coordinate and align HR and the business across the globe, the executions of strategies at the local level are usually different as a result of environmental factors (Levy et al., 2007). As institutional theory points out, an organization

adapts as a result of pressures from its environment in order to improve the chances of survival (Björkman, Fey, & Park, 2007; DiMaggio & Powell, 1991; Scott, 2001; Süß & Kleiner, 2008). These pressures, called institutional isomorphism by DiMaggio and Powell (1983), come from coercive (e.g., political and union pressures from the environment), mimetic (e.g., pressure to mimic best practices in the environment) and normative (e.g., professional norms that are expected) isomorphism. Thus, effective global HR executives will need to have the acumen to achieve the business goals through HR policies and procedures while respecting the local customs, traditions and needs (Khilji, 2003; Littrell, 2002).

Another challenge for global executives is diversity management, especially with regards to managing varying expectations in the workplace. In the GLOBE study, led by House, Hanges, Javidan, Dorfman and Gupta (2004), societies that have a higher level of gender egalitarianism tend to emphasize on equal employment issues and affirmative actions compared to those with lower level of gender egalitarianism. As such, equal employment opportunity, which is part of organizational policies in certain countries (such as the US, Canada, and the UK), may not be easily implemented in other countries (Selmer, 2003; Selmer & Leung, 2002). Some women expatriates still struggle with gaining acceptance in many parts of the world (Metcalfe, 2008; Taylor & Napier, 1996). Increased cultural differences may also result in cross cultural communication difficulties and conflicts (Dalton & Druker, 2012; Das, 2010). Differences in expectations and communication styles between the expatriates and indigenous workers and managers can be a source of workplace conflict (Forstenlechner, 2010a). According to Hall and Hall (1990), communication challenges can be exacerbated by the context in which people interact. Certain characteristics are believed to be common for individuals coming from a low context culture; for example, the use of explicit, logical and action-oriented communication style. In contrast, people who come from a high context culture tend to emphasize on non-verbal cues, use a non-linear and process-oriented communication style. Thus, organizational leaders need to have the knowledge, skills and abilities to manage these workplace diversities to improve workplace productivity (DiTomaso & Hooijberg, 1996).

A more recent meso level challenge faced by global HR executives lies in the effective facilitation of virtual global teams. With the advent of communications technology, it is possible to coordinate meetings and share knowledge globally round the clock (Kapoor, 2011). However, different attitudes regarding acceptable work time may result in logistical challenge (Yu & Guo, 2008). While it is often perceived as a more efficient way of communicating, the use of virtual global teams can be hampered by challenges arising from cross cultural differences (Graf, Koeszegi, & Pesendorfer, 2010). For instance, the lack of physical contact may affect the building of trust, necessary in some cultures, to facilitate decision making (Elron & Viga-Gadot, 2006). In another study by Dekker, Rutte, and Van den Berg (2008) that has focused on global virtual teams using Hofstede's (2001) cultural dimensions, team members' expectations and perceptions differ from culture to culture. American team members (higher in individualism) did not see the inclusion

of all the team members as necessary compared to the Dutch teams (higher in collectivism). Interestingly, the lower power distance dimension in the US means that very little hierarchical difference is felt but people from a higher power distant society might struggle with the consultative approach especially when it is coming from a leader. Moreover, the more masculine US culture translate to team members taking a leadership role that is assertive. Finally, the low uncertainty avoidance culture of the Dutch manifests as a more direct communication style compared to the American and Indian teams. Furthermore, misunderstanding of a message may arise as a result of a lack of visibility of non-verbal cues, which are important for high context cultures (Hall & Hall, 1990; Welch, Worm, & Fenwick, 2003).

At the micro level, the key challenges include operative functions of human resource management. For example, the major micro level challenges include the selection of an appropriate expatriate, consideration of staffing issues, provision of cross cultural training and development, attractive remuneration, performance appraisal and management, productive labor relations, talent management, and effective repatriation (Bolino & Feldman, 2000; Brewster & Scullion, 1997; Shapiro et al., 2008). In addition, there is recognition that well-adjusted family members who accompany the expatriate in the host country are integral to the expatriate's success (Littrell, Salas, Hess, Paley, & Riedel, 2006). Thus, there is need for global HR executives to focus on the well being of the expatriate in an attempt to maximize the success of the overseas assignment. Indeed, a number of studies have demonstrated that programs that utilize culture theory (e.g., integrating knowledge about different cultures, cross cultural and sensitivity training and development, and behavior modification programs) tend to better prepare expatriates for overseas assignments (Bhawuk, 1998).

The desire to manage an expatriate holistically comes at a steep cost to the organization. While there are no reliable hard data on the expenditures involving expatriation and repatriation, estimates ranging from $10000 to $12000 for a pre-departure trip and up to $1 million are reported in the literature (Bolino & Feldman, 2000; McEvoy, 2011). In addition to providing attractive remuneration and perks (Edwards & Rees, 2011), relocation costs and allowances need to be allocated (Konopaske, Robie, & Ivancevich, 2009; Welch et al., 2003). The budget for cross cultural training and development, including foreign business etiquettes and language training, may even include family members (Forster, 2000; Selmer, 2006). Hence, global HR executives need to be sensitive to the needs of the parent organization, subsidiaries and individual expatriates.

Strategies used by global HR executives

The role of HR as a strategic business partner has gained recognition in the wake of globalization (Kapoor, 2011; Labedz & Lee, 2011; Pritchard, 2010). In this partnership, HR provides invaluable and essential services to an organization in various forms, such as talent management, skills and competencies development, leadership development, leading change management, and knowledge management

(Burbach & Royle, 2010; Hertog, Iterson, & Mari, 2010; Lawler, 2005; Pritchard, 2010). As the roles of HR grow, there is a need to ensure that every HR policy or initiative contributes to the corporate values (Boohene & Asuinura, 2011). Thus, the development of a HR scorecard as part of a business matrix is essential so that the strategic roles played by HR can be assessed and HR can utilize the feedback for overall business improvements (Becker, Huselid, & Ulrich, 2001; Wang & Shyu, 2008). In order to accomplish the tall order role of being a strategic business partner, global HR executives are expected to understand the mutually supporting roles of other areas of a business (such as finance, marketing, and operations).

Related to being a strategic business partner is the development of business-related competencies as part of the HR persona. As businesses continue to be shaped by globalization, HR will need to understand the pertinent issues and contribute to effective change management through proactive participation in discussions within the organization (Hertog et al., 2010; Levy et al., 2007). One example is the development of a recognizable superior customer service through talent management in the host country by collaborating with the local marketing department. Rothwell, Prescott, and Taylor (1998) and Zwell (2000) have argued that HR needs to be more knowledgeable about the business it has purported to serve. Business-related competencies within HR can be developed via professional development practices such as job re-design, job enrichment, and job rotation (Patterson, West, & Wall, 2004). When global businesses are considered, the development of intercultural competence is critical to the individual expatriate and the overall success of the organization (Forster, 2000; Graf & Mertesacker, 2009). Thus, there is a need for HR to be well versed in business skills and experience (Huselid, Jackson, & Schuler, 1997).

Another important role that global HR executives play is the harmonization of global and local HR policies and procedures. Given that different international socio-cultural, legal and political environments can affect the extent to which HR policies and procedures can be standardized, global HR executives need to have the acumen to implement the HR policies and procedures with their host country counterparts (Almond, 2011; Björkman & Lervik, 2007; Lepak, Bartol, & Erhardt, 2005; Lu & Björkman, 1997; Ngo, Turban, Lau, & Lui, 1998; Pudelko, 2006). Pudelko and Harzing (2008) provided a couple of examples to illustrate the localization of HR. For instance, instead of applying a seniority based reward system, as in Japan, Canon adopted a performance oriented strategy when operating in the US. Furthermore, German manufacturers, which have experience in dealing with unions, have chosen to congregate in the largely non-unionized Southern states. Kopp (2006) has found that Japanese organizations tend to apply ethnocentric staffing practices than American and European organizations, and as a consequence, face more problems with their international HRM endeavors. As such, global HR executives are expected to strike a balance between standardizing and localizing HR policies and procedures.

Stemming from the standardization-localization debate is the gravitation towards best practices in global HRM. Brewster, Sparrow and Harris (2006), for example, suggest that various HR processes such as talent management,

employee branding, management of international assignments, and management of an international workforce can add to the organization's capability to cope with globalization effectively. Pudelko and Harzing (2008) have concluded that because subsidiaries of Japanese and German multinationals in the US are gradually adopting American HR practices and US corporations operating in Japan and Germany are less willing to adapt, there is a bias towards American HRM practices as ''best practices''. Similar interests have also been held by researchers who have focused on Africa (Okpara & Wynn, 2008), Asia (Von Glinow, Frost, & Teagarden, 2002), Europe (Pudelko & Harzing, 2007), the Middle East (Al-Husan, Brennan, & James, 2009), and South America (Geringer, Frayne, & Milliman, 2002). Thus, it appears that there is a global search for a panacea in the form of best practices in global HRM, which has generated mixed results in delivering competitive advantage (McKenna, Singh, & Richardson, 2008).

Methodology

In order to explore these challenges and strategies, 26 senior HR executives with global HRM responsibilities were interviewed across Canada and the USA. Table 1 presents a summary of the participants' background. The participants were chosen from the authors' personal contacts. The two conditions for selection were that the HR executives needed to have global HRM responsibilities and the organization was a multinational organization. Two-thirds of the participants were from the United States. These executives worked in a variety of industries, including airlines, accounting, banking and finance, business consulting, consumer goods, health care, information and communications technology, mining, and pharmaceutical. Permission to tape-record the interviews for transcription purpose was sought before commencing the interview.

The interviews were conducted using the criteria of a successful interviewer recommended by Kvale (1996). These criteria include being knowledgeable about the themes in the interview, structuring the interview to facilitate the process smoothly, ensuring that the questions are clear, maintaining proper interview etiquettes (such as allowing the interviewee to finish first before moving onto the next question and listening with sensitivity), being open to new directions that are important to the interviewee, steering the interview process smoothly, using critical questioning to probe any inconsistent comments, relating to the interviewee's comments, and clarifying the comments by rewording them differently. Furthermore, as suggested by Kvale (2007), the interview schedule was pilot tested with two colleagues, with research experience in the subject area, who verified the questions and did not recommend any change to the questions and approach. Also, there did not appear to be any confusion about the questions among the senior HR professionals.

On average, an interview took 45 min and the interview schedule was emailed to the participants a week before the scheduled interviews so that they had time to reflect on the questions. Pseudonyms for the individuals and organizations are used in this paper for confidentiality reasons.

Table 1 Summary of participants' background.

Participant	Industry	Base	City
Mike	Airlines	Canada	Toronto
V.C	Consumer goods	USA	Philadelphia
P.F.	Financial services — consulting	USA	Boston
R.P	Healthcare	USA	Boston
Chris	Healthcare	USA	Boston
P.P.	Banking	Canada	Toronto
S.K.	Information technology and communications	USA	New York
Booi	Information technology	USA	Seattle
V.V.	Consumer products	USA	Atlanta
W.H.	Mining	Canada	Toronto
D.J.	Mining	Canada	Toronto
M.W.	Financial services — consulting	USA	Boston
J.L.	Healthcare	USA	Boston
A.K.	Communications	USA	New York
Vicky	Information technology and communications	USA	New York
A.D.	Information technology and communications	Canada	Vancouver
K.M.	Consulting	Canada	Toronto
Bill	Mining	Canada	Toronto
N.M.	Information technology and communications	USA	Seattle
D.L.	Information technology	USA	Seattle
E.M.	Banking and finance	Canada	Toronto
R.K.	Accounting and financial services	USA	New York
Matthew	Consulting	Canada	Toronto
G.N.	Consulting	USA	San Francisco
D.C.	Manufacturing	Canada	Toronto
S.H.	Manufacturing	Canada	Toronto

The interview schedule consisted of 10 open-ended questions. The questions relevant to this paper included the challenges for global businesses post global financial crisis, implications for HR departments and the strategies employed by HR to negotiate the challenges faced. The structure of the interviews were deliberately kept loose (i.e., semi structured open ended format) in order to allow unexpected and emergent themes to emanate. This methodology also enabled follow-up and probing questions which sought clarification of key issues and also allowed the participants to freely express any concerns they had. The current study is another example of how qualitative, open-ended interviewing can lead to new conceptual insights and themes (Welch, Welch, & Tahvanainen 2008).

Each interview was transcribed verbatim and the interview transcripts were imported into NVivo (version 8), a widely used software package for the organization and analysis of unstructured qualitative data. Lindsay (2004) observed that NVivo can provide more rigor and traceability than manual coding and is useful for identifying emerging categories and themes. Given the usefulness of NVivo in thematic analysis (King, 1998), this strategy was used to find words, phrases and sentences that formed common themes across the 26 cases. As such, an initial set of codes was devised (Miles & Huberman, 1994) along two main categories i.e., challenges and strategies. Various sub-themes across the two codes were identified. Two researchers independently coded the same piece of data, compared the results and discussed the similarities and differences in their application of the codes in order to maximize intercoder reliability (Frankfort-Nachmias & Nachmias, 1996; Keaveney, 1995). This technique of using multiple independent coders has been widely acknowledged as reducing coder bias as compared to using a single coder (Miles & Huberman, 1994; Purchase & Ward, 2003) After on-going discussions between the coders and three iterations, linkages between the codes were identified and grouped into two main components (i.e., challenges and strategies) giving an intercoder reliability of 85 percent (Miles & Huberman, 1994). These findings are presented next.

Results

Challenges for global HR executives

At the macro level, a primary challenge for the expatriates is to strike a balance between standardization and localization. Some multinational organizations have sought to replicate (standardize) as much of their HR policies and practices as possible in their subsidiaries. When an organization's policies and practices have served them well, there are compelling reasons to retain them. However, the executives recognize that standardization of HR policies and practices may not be possible because of socio-cultural and political constraints as well as a deliberate strategy by the headquarter to allow the subsidiaries to better serve their stakeholders through localization. Some have proposed that organizations should gravitate towards a set of 'best practices' in HRM. Yet, the decision can still be tricky for an organization that operates in multiple countries, and the following two comments reflect this challenge at the macro or strategic level:

It's getting that balance between the global coordination and management and local execution, and you see companies that don't do it well. (P.F.)
It's very important to make sure that the local companies understand the overall global interest, that's one of the biggest challenges in our organization. (M.W.)

A second macro level challenge for the HR executives that is uncovered during the interviews has to do with foreign industrial relations. Given that various nations have different labor legislations, one executive mentioned that an important task for HR is to ''keep abreast of the different laws and different labor legislations in different countries''. Also, the roles played by unions and the degree of their influence in other countries can affect the attention paid to negotiations with labor unions. Hence, while the organization's policies might be similar, the execution of those policies might differ. So complete standardization of policies and practices is not possible, and the following two excerpts succinctly capture the difficulty of achieving universal consistency in negotiation with labor unions:

Labor negotiation is a little bit challenging. Labor union environments here in Canada is different to China and Vietnam, for example. (D.C.).
The ability to get some people into some countries is difficult. Some countries don't embrace expatriates. (W.H.).

A third macro level challenge that is faced by executives in a multinational corporation is having to deal with multiple time zones. Consultation with certain key decision makers can be challenging as a result of time differences. As a consequence, there can be some ramifications on productivity. Even though the advent of technology has allowed individuals to connect virtually, there is still a heavy reliance on executives who are willing to make those face-to-face communication outside of work hours. Thus, individuals who are part of a virtual team or have international responsibilities need to remain flexible. Examples of many executives handle time zone differences are elucidated by two executives:

It requires a bit of extra detail as a manager in order to coordinate certain people in different regions but technology definitely has provided myself a means of doing that. (S.H.)
The challenges I have faced working globally are time zones. Asia is the most gracious in being able to work and being willing to take meetings at 9, 10 or 11 o'clock at night. (J.L.)

At the meso level, a commonly mentioned challenge was dealing with cross cultural differences. One executive observed that some expatriates returned because ''it's very difficult for them to adjust to the culture''. Given that the expatriates are in the host countries, this challenge can become a daily challenge. Another executive put it, ''Day to day challenges include integration of individuals of different cultures''. Cultural differences are most visibly experienced in terms of different work styles. However, whether the task is to provide services to a client or working with other employees, an understanding of the cultural nuances in the host country will allow the expatriate to be successful. Difficulties in dealing with cross cultural differ-

ences were expressed by the executives and a couple of poignant excerpts illustrate the challenges faced:

> This is where a lot of American businesses fail. They don't recognize the differences in the countries that they are doing business in and they don't recognize the existence of boundaries and differences. (P.F.)
>
> A lot of our issues are trying to understand the different cultures of the offices we work in, the different work styles. As a personal example, we have a young HR person who came up from Chile and we're finding that in Chile, the manager tells you everything you have to do but here we tend to say ''You know what your job is.'' (D.J.)

Another important area where cross cultural differences affect the meso level is in cross cultural communication. Research by Hall (1981), Hall (2000) reveal that people from various cultural backgrounds communicate differently according to whether they come from a high or low context culture. High context communication is characterized by the embedding of non-verbal cues into the messages, indirectness, reliance on intuition and feeling for decision making, focus on hierarchy, emphasis on building trust and relationship, and a polychronic approach to time (or fluid time). In contrast, low context communication relies on the actual message and less on non-verbal cues, direct communication, reliance on facts and reasoning for decision making, emphasis on rules and shorter term relationship, and a monochronic approach to time (or rigid time). In reality the two styles represent both ends of the spectrum of cross cultural communication and various cultures fall in between the two ends. Many executives recognize that various challenges can potentially arise when individuals from culturally distant cultures interact, especially cross cultural misunderstanding. Two excerpts from the interview succinctly highlight the cross cultural communication challenges commonly faced by the executives:

> Given some of the language barriers, cultural contexts, people may interpret things in different ways. That's been a challenge to get everybody on the same base line of 'Here's how we are going to service a client' and what this means in the US versus what this means in another global location. (K.M.)
>
> Communication was one of our largest challenges. We started becoming culturally more sensitive and started communicating with channels rather than have irresponsible communication that the Western world prefers. (V.V.)

At the micro level, a common theme that has arisen is difficulty with adjustment of an expatriate in the host country. While there are many reasons for poor adjustment, a reason that strikes a chord among the executives is the presence of an ethnocentric belief, which is an antithesis to the nature of globalization. Some negative adjectives that were used by the executives to describe the poorly adjusted expatriates included 'racist', 'prejudice', and 'patronizing'. When an individual who harbors an ethnocentric view is sent overseas, there may be a backlash from the host country nationals. Such conditions can create an uncomfortable and unproductive work environment. Adjustment difficulty as a consequence of ethnocentrism is evident in one executive's observation, for example:

> I've heard of people making comments about how people look, how people behave, how they do business and they're not very accepting of how business is done in other places. (P.P.)

Linked to adjustment of an expatriate are flexibility and work-family balance issues. Expatriation requires someone to relocate and sometimes this might involve relocating the family members. Therefore, an important consideration should be given to whether a person and his/her family members are willing to relocate. Depending on the location, the expatriate might be required to work long hours in order to provide service to the clients. Usually coupled with a steep learning curve, expectation to perform and delivering results within a tight schedule, the expatriate may feel compelled to work longer hours. Consequently, expatriates and their family members may experience a compromised work-family balance. These themes are elucidated by an executive during the interview:

> Physical presence in the actual market that you're serving is also very important, as it's a constant challenge to make sure that people are willing to travel and to sacrifice their personal life. (M.W.)
>
> How can we be more analytically aligned rather than just be transaction focused and I think that flexibility (in terms of managing your people and managing your clients) are two attributes in my view would be priority. (N.M.)

As the various excerpts illustrate, global HR executives face challenges at various levels. Most of these challenges resulted from poor strategic planning, selection of inappropriate expatriates for the overseas assignments, lack of understanding of cultural differences, deficiency in proper cultural training and development, and inadequate support for the expatriates and their family members.

Strategies used by global HR executives

The challenges associated with globalization, directly and indirectly, compelled the global HR executives to search for better ways to manage their organizations and expatriates. At the macro level, fostering a stronger partnership with the subsidiaries is one way to ensure that there is consistency in the global strategies while remaining flexible enough to customize to local demands. As part of fostering a stronger partnership, expatriates and host country executives are rotated so that they have a greater understanding and appreciation of the global business. All the executives who were interviewed recognized the importance of having expatriates with a 'global mindset'. Integrating diversity into the recruitment and selection of expatriates is a strategy that is used. In particular, two executives mentioned how their firms attempted to cultivate a 'global mindset':

> We have HR advisors doing local stuff but we also have what we call our 'global practice areas' and those practice areas are recruiting global teams, that is, sort of, assisting in moving teams from country to country, projects or for long term assignments. This makes sure that the recruiting happens the same around the world, talent management is rolled out and is the same around the world. (D.J.)

I think it is not even an option any more, it's a mandatory thing that every manager or senior manager in any organization needs to have a global mindset. Companies like ours, in fact, recruit consciously people from different countries, which basically kind of involuntarily passes off, the culture passes off between people. (R.K.)

In terms of foreign legislations, a common response cited by the various executives was being aware of and prepared for the upcoming changes to the labor laws. While there was a Canadian executive who undertook a course to understand U.S. labor laws, many executives required local expertise in the areas of industrial relations and employment laws. Risk management policies and working hours were two major issues that were mentioned by two executives. Other executives spoke of regulations in general terms but emphasized the importance of staying on top of changes and potential changes. Another executive mentioned that while employment legislations, especially those pertaining to working hours, existed in every country, in practice most people worked longer hours in certain countries (e.g., 12—14 h a day). Two specific comments are relevant to the themes of foreign legislations:

> In my work, I have 20 direct reports so I need to be knowledgeable of, as an example, the employment standards within Ontario. In a couple of weeks, I am traveling to Wisconsin where I'll be attending management sessions with a lot of the other team managers from the US sites and I specifically am put in that session to talk about the US legislation. I don't currently work in the US but that's part of my development plan. (S.H.)
> We are seeing an increased amount of intervention from government worldwide. The first thing is you have to keep an eye on the regulations that are coming from the government. (R.K.)

In order to address the issue of time zone differences (raised in the challenges section), the executives were aware of the need to be flexible given that their counterparts in Asia were extremely flexible with conducting virtual meetings until very late in the evening. Thus, some compromise is usually needed from both sides. One executive remarked:

> We do conference calls in the morning at 6am to accommodate Singapore. We do conference calls late in the evening to accommodate India and China. (V.V.)

At the meso level, there is a huge emphasis on cross cultural training and development for the expatriates. Training and development are provided through rotation globally so that the executives are exposed to various cultures. Adjectives such as 'sensitive', 'understanding', and 'knowledgeable' were used to describe the kind of culturally intelligent expatriates that the firms sought to develop. Although external training is utilized, sometimes in-house training and testing would be used, especially in language training. Allowing the expatriates to stay for an extended period in the host country is another method used to encourage knowledge sharing. One executive believes that rotation will accelerate the 'global mindset' among the expatriates. The benefits of cross cultural training and development can be summarized by the following executive's comments:

We're one of the companies that excel in recognizing cultural differences. We make the effort to expose people that are going to be the higher level management globally. They kind of do a really good job of trying to get those people out and rotate them through different regions across the globe in order to better prepare them as well as the company to deal with larger issues later in their careers. (S.H.)

At the core of the micro level strategies is development of leadership competencies. Given that the expatriates are representing the head office, they are expected to be knowledgeable and sensitive about global issues. As such, they need to have the business acumen to be able to adapt to different cultural settings. Most of the time leadership competencies are developed through on-the-job training and development. Job rotation in various locations is a common strategy that is used to allow expatriates to experience new and different perspectives. In some cases, in-house training, use of outside consultants and to a lesser extent executive education are provided. While all the executives strongly supported experiential learning, two executives believed that the proportion of on-the-job to formal training should be 80—20, respectively. Another executive stressed the importance of ''experiencing things outside their comfort zone from a technical perspective and from a cultural perspective so that people can learn to adapt to change''. The following two comments capture the importance of leaders having appropriate competencies:

> The ability to think and act globally, to be sensitive to global issues is at the fore front really of any leadership position. (Matthew)
> My expectation of my managers is that they have more of a situational leadership kind of approach. (E.M.)

Other issues that are pertinent to leadership development include the cultivation of situational awareness that is rooted in cultural sensitivity. The two themes for situational awareness are open mindedness and adaptability. One executive believes that rotating expatriates to different countries will encourage greater open mindedness. Individuals who have had experiences with living in different countries and who are multilingual are perceived to be more open minded because of the lived experience. Another believes that the notion of open mindedness is not just about accepting diversity but also embracing it. Being open minded means being willing to take the time to understand a person or process that is unfamiliar instead of rushing to judgment while at the same time achieving organizational goals. Two executives gave the following examples about open mindedness and adaptability for successful expatriation:

> Open mindedness is extremely important. At the end of the day, people need to be focused as well; they need to ensure that decisions are made based on the global good and not just the local good. (V.V.)
> I don't see the role of the manager as being entirely accepting of an employee's interests, culture and religion. I see it as a manager's role is to understand an individual's interests, religion and culture and help coach that individual to accomplish what the organization needs. (A.D.)

Discussion

With the advent of globalization, HR executives have been searching for solutions to the challenges faced by multinational organizations. The international human resource management literature has identified various types of challenges faced by the expatriates and their family members. The inability of an expatriate to adjust is often blamed for a pre-mature termination of a negotiation or project, resulting in an earlier than expected repatriation (Forster, 2000). There may be costly delays or interruptions, inability of the organization to realize the return on training and development investment, undue stress on the expatriate, and a negative impact on the expatriate's performance. Furthermore, an expatriate can incur a psychological cost, such as feeling inadequate and loss of self-esteem, as a result of the failure. In order to deal with the problems associated with expatriation, HR practitioners have been playing an active role in providing solutions to individual expatriates, their family members and the organization by working closely with the subsidiaries. For instance, the roles played by HR have expanded to include being a strategic business partner, developing business-related and cross cultural competencies, and harmonizing policies and practices across the different locations, just to name a few.

In spite of providing an understanding of the challenges faced and strategies used by multinational corporations, most of the current literature suffer from two shortcomings. First, most studies have looked at the issues at a micro level (Bennett et al., 2000; Burbach & Royle, 2010). Second, most studies assume that organizations have the time and budget to develop a comprehensive expatriation program (Edwards & Rees, 2011; Littrell et al., 2006). Thus, this article investigates the macro, meso and micro level challenges and strategies while taking into consideration the organizational realities of tight deadlines and budgetary constraints. Instead of merely identifying the challenges and strategies, this study seeks to understand the pressing issues that the executives who have global HR responsibilities are facing and how they deal with those challenges.

At the macro level, three issues were identified. The most pressing challenge concerns the strategic alignments of HR policies and practices across multiple locations. Although the executives recognize that complete standardization is impossible given the social, cultural, educational, religious, political and economic differences, there is a desire to align the various policies and practices between headquarter and the subsidiaries as much as possible. Strategic HR alignment can be done through forming partnerships with the subsidiaries. There needs to be greater consultation to explore areas of agreement in order to facilitate the harmonization of policies and practices. Another approach that can be used to create better alignment is the rotation of expatriates and selected host country executives so that they are able to develop a 'global mindset' through on-the-job learning and development. Through exposure to different circumstances, these leaders are in a better position to appreciate and understand what works and does not work in various locations. Given that the organizations' environments shape HRM policies and practices, these findings concur with institu-

tional theory (DiMaggio & Powell, 1983; Süß & Kleiner, 2008).

The second pressing challenge deals with labor negotiation in the host countries. Some multinational companies may experience varying levels of challenges depending on the level of expatriate presence and influence. Given that labor laws and practices are different in various countries, some HR policies and practices need to be localized while others may need to be negotiated. The consultation process that is proposed for strategic alignment should also involve discussions of labor-management relations. In some countries where expatriates are discouraged, the headquarter and the subsidiary need to enhance communication and knowledge exchange so that both needs are met as much as possible. Evidently, institutional isomorphism is experienced in an international industrial relations context. It is important for HR executives and expatriates to educate themselves about foreign industrial relations and labor laws, and seek the advice of a trusted advisor from the host country.

Surprisingly, having to deal with time zone differences is the third most pressing challenge, which has been largely ignored in the extant literature. Sometimes individuals from the home and host countries may need to coordinate more closely to ensure that time sensitive projects are completed on schedule and be willing to sacrifice their personal time for work meetings during odd times of the day or night. At the same time it is important for global executives to understand that individuals from different cultures may have slightly different attitudes toward time. In this study, adopting a flexible attitude to time is seen as a positive. While it is imperative for expatriates from a monochronic culture to be flexible with scheduling meetings, it is also important for individuals from polychronic cultures to adhere to deadlines for projects. Hence, expatriates need to have the competence to balance the need to complete their projects in a timely manner while being culturally sensitive.

At the meso level, cross cultural differences present an imperative challenge. Some expatriates have returned home pre-maturely as a result of an inability to adjust cross culturally. These cultural differences can manifest as differences in styles of work and communication. Also, cultural differences can influence an individual's preferences for autonomy vs. given detailed directions, certain leadership styles, individual responsibilities vs. working in a team. While these findings are not novel, these challenges are still experienced by many contemporary global executives, including HR executives. Ignoring these differences can prove to be costly to organizations. HR can play a significant role here in facilitating the necessary cultural training and development. When specialized training needs to be provided (such as language training), outsourced services can be used when there is no in-house facility.

Leadership development is another area that requires serious attention by HR. A common reason why expatriates return home pre-maturely is because of poor adjustment. In spite of an emphasis in leadership training and development in colleges and universities (Roehling, Boswell, Caligiuri, Feldman, Graham, Guthrie, Morishima, & Tansky, 2005), normative institutional processes (or similarities as a result of the professionalization of roles and occupations) is not evident in this study and may require more time to diffuse.

Thus, proper selection and pre-departure training that are culturally rooted are still necessary before expatriation. Sometimes on-going or ad hoc support may be necessary once the expatriate is in the host country. A realistic job preview is also necessary during the training and development phase so that the potential expatriates and their family members are prepared for the various circumstances, such as spurts of long hours at work. If possible, short-term assignments can be used initially to allow the expatriates to have a taste of the 'lifestyle'. Individuals who show an aptitude, especially a high degree of openness and adaptability, to work in a cross cultural setting may be selected for further development before expatriation.

This current research reveals that the issues faced by HR are multi-faceted and multi-layered. Thus, academics and practitioners need to consider the challenges and strategies at the macro, meso, and micro levels for a more thorough understanding of the issues pertaining to expatriation. Although the extant literature has discussed the issues that are uncovered in this study, the current research reveals the most pressing challenges that the global HR executives are facing and the strategies that they use. Thus, there are implications for other HR practitioners when considering the issues to prioritize. Also, given that the current research has examined 26 executives from Canada and the US, future researchers may wish to consider how executives from other countries prioritize the challenges and whether the strategies used are similar or different, as many contemporary cross-cultural studies have found a mix of cross-national convergences and divergences (Das, 2010; Gentry & Sparks, 2012; House, Hanges, Javidan, Dorfman, & Gupta, 2004).

In conclusion, the findings in this study illustrate the integration-responsiveness problem faced by many multinational corporations. At the core of the struggles elucidated by these global HR executives at the macro, meso and micro levels is the desire to maintain a degree of internal consistency in the midst of institutional isomorphism. In other words, these struggles are about finding out which of the HRM policies and practices could be held constant and which ones should be localized. Studies by Rosenzweig (2006), Rosenzweig (2012) reveal that a one-size-fit-all strategy is unlikely to work and tailored solutions are usually necessary. Thus, Rosenzweig and Nohria (1994, p. 230) rightly stated that a multinational corporation is seen as ''a nexus of differentiated practices''. Meanwhile, Martin and colleagues (e.g., Hodges & Martin, 2012; Martin & Beaumont, 2001) advocate the cultivation of 'shared values' through leadership branding, which implies that HR executives will need to genuinely engage all stakeholders to bridge the expectations of headquarter and subsidiaries.

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