

Bachelor's thesis

Business Administration

2019

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# GLOBALIZING HUMAN RESOURCE MANAGEMENT SUCCESSFULLY

– Case Hunkemöller International B.V.

BACHELOR'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Business Administration

2019 | 39 pages

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# GLOBALIZING HUMAN RESOURCE MANAGEMENT SUCCESSFULLY

- Case Hunkemöller International B.V.

The objective of this thesis is to illustrate how to globalize human resource management successfully in international organizations. Furthermore, the aim is to understand the internationalization processes of human resource management.

The theoretical part of the thesis represents theories regarding internationalization, globalization, and human resource management in various forms. In addition to theoretical research, Hunkemöller International B.V. is used as a case example of a company that has successfully globalized their human resource management.

Observation and specialist interviews are used to support the evaluation of Hunkemöller's current human resource processes and their journey to an international organization. The thesis topic is relevant as it focuses on common features that should be noted during internationalization and globalization process. Furthermore, the thesis offers suggestions for multinational enterprises on how to create, maintain, or improve global human resource activities and strategies. This means that the thesis will be valuable for organizations that have recently entered or are planning to enter a new market, and for companies that are planning global growth or wish to improve their international human resource strategies.

## KEYWORDS:

Human Resource Management, International Human Resource Management, Internationalization, Globalization

Janina Rissanen

# HENKILÖSTÖHALLINNON MENESTYKSEKÄS GLOBALISOIMINEN

- Case Hunkemöller International B.V.

Tämän opinnäytetyön tavoitteena on havainnollistaa, kuinka kansainvälisen organisaation henkilöstöhallinto voidaan globalisoida menestyksekkäästi. Lisäksi tavoitteena on ymmärtää henkilöstöhallinnon kansainvälistymisprosesseja.

Opinnäytetyön teoreettinen osuus koostuu teorioista, jotka liittyvät kansainvälistymiseen, globalisaatioon ja henkilöstöhallintoon eri muodoissa. Teoreettisen tiedonhaun lisäksi, Hunkemöller International B.V. on otettu case-esimerkiksi organisaatiosta, jossa on menestyksekkäästi onnistuttu globalisoimaan henkilöstöhallinto. Havainnoinnin ja asiantuntijahaastattelujen avulla kerättyä tietoa on käytetty tukena arvioitaessa Hunkemöllerin henkilöstöhallinnon prosesseja sekä heidän matkaansa kansainväliseksi organisaatioksi.

Opinnäytetyön aihe on merkityksellinen, sillä se keskittyy keskeisiin toimintoihin, joita yritysten tulisi huomioida kansainvälistymisen aikana. Lisäksi opinnäytetyö tarjoaa ehdotuksia kansainvälisille yrityksille siitä, kuinka luoda, ylläpitää tai kehittää menestyksekkäitä globaalien henkilöstöhallinnon toimintoja ja strategioita. Tästä syystä opinnäytetyö on hyödyllinen organisaatioille, jotka ovat hiljattain laajentaneet, tai ovat aikeissa laajentaa, toimintaansa kansainvälisille markkinoille, sekä yrityksille, jotka suunnittelevat globaalia kasvua tai haluavat kehittää kansainvälisiä henkilöstöhallinnon strategioitaan.

## ASIASANAT:

Henkilöstöjohtaminen, henkilöstöhallinto, kansainvälinen henkilöstöjohtaminen,  
kansainvälistyminen, globalisaatio

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## **LIST OF ABBREVIATIONS**

CEO – Chief Executive Officer

HR – Human Resources

HRM – Human Resource Management

IHR – International Human Resources

IHRM – International Human Resource Management

SHRM – Strategic Human Resource Management

UK – United Kingdom

WCS – World Class Service

# 1 INTRODUCTION

## 1.1 Background and Aim

It can be argued that the HR (human resources) department is the most important part of every organization and the core of an organization's success. Human resources are responsible for developing and managing the company culture, recruiting new hires, maintaining benefits and payroll, mediating in conflicts, and engaging in training. Managing human resources successfully is a difficult task that requires a lot of attention. It becomes even more challenging when a company enters international markets and becomes a multinational enterprise with workforce all over the world.

The aim of this thesis is to illustrate how to globalize human resource management (HRM) successfully in international organizations, and to understand the internationalization processes of human resource management. To reach these goals, the research will focus on globalization, internationalization, and human resource management in various forms. Hunkemöller International B.V. will be used as a case example of a company that has successfully globalized their human resource management. The author carried out a six month internship at Hunkemöller's international headquarters as a Global HR Trainee, which allowed the author to gain valuable insight of Hunkemöller as a multinational enterprise, and further research their globalization processes and global HR activities.

This research is conducted by using relevant and current literature. Additionally, observation and specialist interviews, are used as tools for empirical research about the case company, Hunkemöller International B.V.

The thesis topic is relevant as it focuses on common features that should be noted during internationalization and globalization. This means that the thesis will be valuable, for organizations that have recently entered or are planning to enter a new market, and for companies that are planning global growth or want to improve their international HR strategies. Furthermore, the thesis gives a base for further research about the international nature of HR and globalizing the human resource management

## 1.2 Reliability and Validity

In order to evaluate the relevance of this thesis, validity and reliability can be used as tools. It is crucial to ensure that the research can be considered valid and reliable. Validity shows the level of reality representation in the research and how the objectives were reached. (O'Reilly & Kiyimba 2015) In terms of this thesis, the thesis objectives were successfully achieved and an answer to the research question was represented. The data used for the thesis was collected from trustworthy publications, such as books and articles that were specialized in the topics of HR, internationalization, and globalization. Moreover, observation and specialist interviews were used as tools when conducting empirical research.

Reliability refers to the replication extend of the data. The thesis should depict clearly how the data was collected and analyzed. (O`Reilly & Kiyimba 2015) Therefore, the research procedures should be explained in the thesis. In terms of this thesis, the data collected from trustworthy publications was taken into account when writing the theoretical parts. This data was narrowed from the amount of information available, and only the most relevant data was chosen to be used in the thesis. Furthermore, author's observations while conducting an internship in the case company offered reliable insights, and the specialist interviews added depth and detail to these observations.

To conclude, the credible sources of information prove that this thesis strives to provide reliable and valid data, which is relevant for the degree of the author.



## 2 INTERNATIONALIZATION AND GLOBALIZATION

The second chapter of this thesis describes the theoretical concepts related to internationalization and globalization. It covers major factors driving the internationalization of business and describes globalization in general.

According to Business Dictionary (2018), internationalization means the growing tendency of corporations to operate across national boundaries. It is also defined as an approach to designing products and services that are easily adaptable to different cultures and languages. Globalization is strongly linked to internationalization. Globalization is concerned with the growing internationalization of economic systems. It emphasizes the creation of global economy without borders, facilitating the free movement of finance, products, services, information and people. Fundamentally, internationalization is a part of the globalization process. (Bailey etc. 2018, 4)

The concept of globalization evokes a variety of attitudes. The supporters of globalization argue that the phenomenon has multiple advantages, such as increased demand for products and services leading to economies of scale, enhanced access to commodities resulting from global sourcing possibilities, increased flow of investment through the sharing of knowledge and technology, and the emerge of cross-national networks of people, resulting in the flow of ideas, technologies and processes. However, those who argue against globalization, suggest that it is purely driven by the profit motive leading to a rapid deindustrialization, resulting in structural unemployment. (Bailey etc. 2018, 5)

### 2.1 Major Factors Driving the Internationalization of Businesses

When it comes to global environment, there are two types of business drivers: general cultural factors and specific business factors.

General cultural factors have driven internationalization since the second World War. New technologies have made communication around the globe affordable and easily accessible for everyone. The development of global communications, such as mobilephones, television, radio, and the internet, has created a global culture which allows different cultures and people to develop common expectations about right and wrong. This has given more equal opportunities for education and growth of global

knowledge for everyone across the world. The collapse of Eastern bloc has accelerated the growth of a world culture considerably, increased support for capitalism and business, and highly reduced the level of cultural conflict in Europe. There is no longer so called *Third World*, because in addition to North America and Western Europe, also Latin America, southern Asia and Eastern Europe have developed powerful educational, industrial and scientific centers. (Laudon & Laudon 2016, 611-613)

These general cultural factors, that lead toward internationalization, result in specific business globalization factors, that have an effect on most of the industries. The growth of communication technologies and the emergence of world cultures have created the base for global markets. The new global markets, and pressure toward global production and operation, have created whole new capabilities for global coordination. This has led to the current situation where all the major business functions can be coordinated efficiently on a global scale, no matter what the geographical coordinates between the different operators are. (Laudon & Laudon 2016, 611-613)

Once companies ensure that their operations are driven by global demand, the production can be concentrated where it can best be accomplished, fixed resources can be allocated over large production runs, and production runs in larger factories can be scheduled more efficiently. The result is, that those organizations, that can organize their business operations globally, have a powerful strategic advantage. (Laudon & Laudon 2016, 611-613)

Although the possibilities of globalization are significant for business success, there are fundamental forces that are operating to restrict the global economy and to disrupt international business. These inhibiting factors include cultural particularism, regionalism, nationalism, language differences, social expectations and political laws. All of these issues must be considered when building international systems for the business. (Laudon & Laudon 2016, 613-614)

## 2.2 The Drivers of Globalization

The rise in free-market capitalism links to the concept of globalization. Free-market capitalism is characterized by free markets, privatization and deregulation. It is associated with a term neoliberalism. Simply put, neoliberalism is an ideology that puts faith in technological advances to drive economic development, which creates and

sustains a democratic society. However, the critics of neoliberal approach claim that there is still need for government intervention at free markets, as highlighted by government bailouts of banks around the world during the financial crisis of 2007-2008. The global financial crisis is a very significant milestone in the context of the impact of globalization. It resulted in an increasingly frugal and volatile global economy, and the impact of the financial downturn can still be experienced in many countries today. The crises created significant economic uncertainty and challenged the free-market idea. (Bailey etc. 2018, 8)

Also the growth in international trade and foreign direct investment are driving the globalization. However, the global economic meltdown significantly impacted the growth in international trade, leading to major output losses and much slower recovery. (Bailey etc. 2018, 9)

Pricewaterhouse Coopers (PwC) has highlighted a few important future trends in globalization as follows.

1. Global economic growth will experience a slowdown after 2020 as a result of a slower expansion in China and other emerging markets.
2. China will overtake the United States by 2028 in terms of market exchange rate.
3. India will, by 2050, have become the second largest economy in terms of public-private partnerships.
4. Emerging economies will experience more moderate rates of economic growth, but countries such as the UK and France will become less significant.
5. The overall level of economic growth worldwide will be, on average, 3% per annum until the year 2050. (Bailey etc. 2018, 9)

Third factor driving the globalization is the development of disruptive technologies. Those are developments in technology that create a new market which leads to the disruption of existing markets, resulting in the displacement of established market-leading companies, products and services. Examples of disruptive technologies include 3D printing, wind and solar power as well as artificial intelligence. (Bailey etc. 2018, 11-12)

The developments in disruptive technology provide opportunities, such as gains in efficiency as processing speeds increase, the increasing degree and complexity of connectivity, and the greater ease with which organizations can produce customized products and services. Technology and communications have also simplified the collaboration between different members of organization in real time on 24/7 basis. The

emerge of e-commerce has been fundamental in helping small to medium sized enterprises to carve out niche markets on a world stage. Technology is also helping emerging economies to develop faster than the Western countries were able to in the past. (Bailey etc. 2018, 11-12)

## 3 INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Today the competition almost everywhere is global in scope. This means that all types of businesses in most countries face competition from foreign products or services, or from foreign-owned subsidiaries and domestic firms that are now foreign-owned. Therefore, increasingly for most businesses and in most locations, strategic business decisions involve choices to go in an international direction. Going international might be the best choice for a company because it is facing competition from outside its national borders, but also because it seeks cheaper resources or expanded markets in other countries. When strategic decisions are made to go international, it obviously affects every function of the organization, including human resources. (Briscoe & Schuler 2004, 26-28, 38-39)

Most companies experience one or more aspects of international human resource management (IHRM). The successes or failures of these organizations are often a function of how well they handle their IHRM concerns. Because of these pressures, a whole new set of responsibilities within the human resource function have developed. (Briscoe & Schuler 2004, 26-28)

This chapter addresses theories related to international human resource management. The chapter includes research about the nature of HRM, differences between domestic and international HRM, international HRM practices, the role of global HR department, the role of global HR manager, challenges of international HRM, and future trends of international HRM.

### 3.1 Nature of Human Resource Management

According to an article written by Dr. Zhaocheng Zeng, human resource management refers to the policies, practices, and systems that influence employees' behaviors, attitudes, and performance. It plays a vital role in determining the effectiveness, competitiveness and ultimately, the survival, of businesses. (Zeng 2018) Being a part of organizational management, the main objectives of HRM are to hire the most suitable people, control legal employment and discrimination issues, raise employees' capacity and motivate employees to reach high commitment levels. (Dessler 2009)

It is important to understand that HRM has travelled far to reach the current point. It has developed from personnel administration, through to personnel management, through to human resource management, and now has a vital strategic importance to organization's competence. (Rees & Smith 2017, 8)

Compared to classic HRM, strategic human resource management (SHRM) goes beyond traditional administrative and bureaucratic approach on managing people as it has more collaborative and proactive nature of actions. In SHRM, human resource management policies are linked to the formulation and implementation of strategic, corporate, and business objectives. It emphasizes a tight intergration between HR strategies and business strategies working towards the common goals of the organization. (Rees & Smith 2017, 9-10)

International human resource management strategy is concerned with an international organization's approach to managing people and the SHRM functions worldwide. It typically focuses on issues, such as culture, staffing and SHRM practices. (Bailey etc. 2018, 14) The more broadly defined field of IHRM is about understanding, researching, applying, and revising all human resource activities in their internal and external contexts. All these activities impact the process of managing human resources in international enterprises to enhance the experience of all the stakeholders globally, including employees, customers, investors, partners, suppliers, and society. (Briscoe & Schuler 2004, 20)

### 3.2 Differences Between Domestic and International Human Resource Management

The practice of HRM in the international context differs from its domestic equivalent in a number of ways. The international aspect of human resource management is responsible for a greater number of activities, such as the management of international assignees that includes such things as foreign taxes, work visas, and detailed assistance with family relocations to foreign locales. This means that the global HR department of an organization has to expand its areas of expertise to include a much broader perspective, including knowledge of foreign countries and their employment laws. Furthermore, they must get much more closely involved with employees' lives as the company moves employees from country to country. Being involved with a greatly expanded and constantly changing mix of employees, adds considerable complexity to the IHRM task. Additionally, in IHRM, there is a need for the ability to cope with more external influences,

such as having to deal with issues originating from multiple cultures and countries. As a result of this, the IHRM department has to face much greater exposure to problems and difficulties, and thus, exposure to much greater potential liabilities for making mistakes in HR decisions. (Briscoe & Schuler 2004, 29)

In addition, the geographic spread and multiculturalism that the international organizations face, adds a need for competency and sensitivity that is not necessary in domestic companies. The personal and professional attitudes and perspectives of the HR manager must be greatly expanded to handle multiple countries and cultures in the international arena. This is both to manage the global HR responsibilities and to contribute to successful international business strategies – beyond those which the domestic HR manager must develop. (Briscoe & Schuler 2004, 29)

### 3.3 International Human Resource Management Practices

HRM practices comprise of a large range of different tasks. These tasks include analyzing and designing work, determining human resource needs, recruiting potential employees, selecting the employees, teaching employees how to perform their jobs, and preparing them for future by training and development. Human resource management responsibilities also include rewarding employees, evaluating their performance and creating a positive work environment. (Zeng 2018)

When talking about international HRM, there are even more practices that need to be considered. Firstly, IHRM strategy is concerned with standardization and localization of SHRM practices across geographic locations. Some organizations use an expertise approach, in which SHRM practices are transferred from the parent company to all host-country subsidiaries. Sometimes there may be scope for international companies to use practices that have not originated in the host-country or parent organization. In these cases international firms may adopt a more localized approach whereby they adopt locally generated practices. This choice may be impacted by several different legal and cultural factors in the host country. (Bailey etc. 2018, 14)

Additionally, IHRM practices include global workforce planning; global compensation, benefits, and taxes; global training and management development; and international performance management.

Global staffing is concerned with how staffing issues are addressed in international companies. It is one of the primary HR practices used by the multinational enterprises to control and coordinate their spatially dispersed global operations. Having the right talent, at the right place, at the right time, and at the right price is an important global issue for every enterprise. (Briscoe & Schuler 2004, 201-228)

The area of global staffing has grown significantly during the past decades. It has expanded in scope, shifting from focus on top management attitudes, staffing decisions, and expatriate performance, to a much wider range of issues where staffing topics are linked to the strategy of the organisation. (Collings & Scullion 2009, 1249-1252) . Today international workforce planning and staffing refers to the process of estimating employment needs, recruiting, selecting, and repatriating talent in organizations with operations in different countries. (Briscoe & Schuler 2004, 201-228)

There are different approaches to global staffing. Some organizations adopt an ethnocentric approach and appoint only home country nationals to key positions. Other firms utilize a transnational approach seeking the best person for the job regardless of nationality. Other companies adopt a polycentric approach in which the company prefers to fill key positions with local employees. (Bailey etc. 2018, 14)

No matter which approach the organization decides to go for, they should keep in mind that one of the fundamental things in successful IHRM is to recruit and train HR managers who can effectively interact with people raised in different cultures. The HR managers must be able to develop effective HRM practices and policies in all of the various business environments in which the organization operates. Human resource managers at the local, regional, and headquarters levels must integrate and coordinate activities taking place in diverse environments with people of diverse backgrounds. (Briscoe & Schuler 2004, 26-28)

In terms of global compensation, the HR managers carry a critical responsibility for the design and maintenance of an organization's total reward system. Internationally operating businesses make this responsibility even more challenging as they require additional HR competencies in global remuneration and international assignment compensation. Furthermore, there has to be a close collaboration with business partners in HR, accounting, finance, tax, and legal divisions, as well as with the line managers of the organization.



The determination of compensation and benefits globally requires several considerations, including subsidiary workforces in multiple countries, employees from many different countries (such as inpatriates, host-country nationals, and third-country nationals), and international assignees who move across borders for differing periods of time. Furthermore, issues such as dealing with differing standards and costs of living, multiple currencies, exchange rates, inflation rates, tax systems, and tax rates, must be taken into account. One of the most time-consuming aspects of these responsibilities for international HR managers includes creating and managing compensation, benefit, and tax packages for expatriates. (Briscoe & Schuler 2004, 305-351)

When it comes to global training, development, and performance management, international organizations face several issues. Training and development is traditionally one of HR's core functions and its meaning is emphasized especially when the international business reaches a significant level.

When an organization is involved with multiple subsidiaries and partnerships in other countries, training and development function takes on a new and more complex nature. Furthermore, developing and pursuing a global strategy, marketing products and/or services on a global scale, and assigning a number of employees to international positions, are all functions that require strong support from training and development. (Briscoe & Schuler 2004, 261-304)

A function strongly connected to training and development, is global performance management. The performance management used in the international arena relates to many areas of IHRM responsibility, such as evaluating international assignees and foreign managers for pay increases, giving performance feedback, making individual job assignments, creating development planning, and identifying the training needs. The performance of international assignees and other managers is critical to the success of the multinational enterprise.

It is important to formulate evaluation criteria and practices that meet parent-company requirements while addressing the host-culture's norms and expectations. It is clear that it is insufficient to simply apply a performance management process designed for domestic use to an international setting. It is necessary to make some adjustments for issues with cultural adaptation. (Briscoe & Schuler 2004, 352-373)

### 3.4 The Role of Global Human Resource Department in an International Organization

In terms of globalizing the operations of an organization, the human resource department has an important role. In order to enhance the competitive advantage of global firms during globalization, their human resource professionals must focus on developing their own international competencies. Simultaneously, the global HRM function needs to shift from an administrative orientation to one that emphasizes the processes of internationalization. This helps to define the agenda for the HR professionals and their global roles. It also clarifies how specific HR activities should be performed.

The HR professionals need to learn about the fundamentals of global business. They cannot assume a global strategic role without understanding the global strategy. Ensuring a solid knowledge and understanding of global strategy, cultural differences, and HR capabilities among the HR professionals, requires a thorough globalization of the HR function. This can be carried out by developing a cadre of HR professionals with international perspective, knowledge, and experience who can act as role models for the rest of the team. (Briscoe & Schuler 2004, 32-33) Once the HR department is globalized, it is easier to start globalizing the rest of the organization. The role of HR is to guide the way.

When the organization is globalized and operates on international markets, they have to pay attention to the human aspects of cross-border business, to the merger of global workforces and cultures in acquisitions, joint ventures, and alliances, in order to achieve desirable results. Furthermore, they need to consider the development of the individual employees who represent a large number of corporate and national cultures, speak multiple languages, and have varying angles on customer, product, and business issues. It is the global HR department which is expected to advise the rest of the organization on how to ensure performance in the international business environment.

The global HR staff needs to deal with issues such as global pension and health care systems, management development throughout the global enterprise, global employee and management recruiting, and global compensation systems. Therefore, multinational enterprises should focus on these challenges and develop efficient global HRM systems that support the HR professionals.

Ultimately, the main role of the global HR department is to find ways for individuals with varying backgrounds and perspectives to work together. They should develop so called

'corporate glue' that will hold the whole organization effectively together. (Briscoe & Schuler 2004, 396-397)

### 3.5 The Role of Global Human Resource Manager

Global HR managers need to be recognized by the top management, strategic planners, and line managers, as critical to the success of the global enterprise. Global HRM programs and departments must get enough resources and receive high priority attention.

The global HR function has developed mainly from the management of expatriates, and is now evolving into broader areas of responsibility. Therefore, a major issue for global HR, will be the need to develop a wider perspective on the global enterprise. International organizations will need global HR executives who can do more than handle the selection, training, relocation, and compensation of expatriates. Multinational enterprises will need their global HR executives to assist in the strategic management of their global businesses, to develop international HR policies for operations located around the globe, and hire and develop productive workforce in multiple countries. This is why it is important for the global HR managers to have prior experience in working in a global HR department, in line management, and in global assignments. The development of this type of strategic global HR manager is becoming the central focus in the global HR profession. (Briscoe & Schuler 2004, 409-412)

### 3.6 Challenges of International Human Resource Management

As mentioned earlier, international human resource management focuses on the management of human resources in different national contexts in which they operate. These contexts are separated by time, distance and culture. There are several factors influencing IHRM, such as institutional practices, cultural differences and economical, political and legal issues. There can be challenges with language, family adjustment, housing and welfare, compensation and living costs, training and development, performance management, and career planning and repatriation. These challenges clearly affect the processes of people management within different regions and nations globally. As companies become more international, they have to start thinking about how

the human resources can be managed effectively through a difference in geographical sites and across cultures. (Rees & Smith 2017)

One classification that can be used for understanding cultural differences at work places is the Hofstede model, which has four key dimensions classifying different cultures by their working habits. These dimensions are power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity. Power distance is related to the different solutions to the basic problem of human inequality, showing a level of authority in the culture and level of communication with organizational managers. Uncertainty avoidance indicates the level of stress in a society when the future is unknown. It can give an understanding about cultural perception of future and willingness to take risks. Individualism versus collectivism, is related to the integration of individuals into primary groups, showing employees` preferences to work and take responsibility individually or in a team. Masculinity versus femininity, tells about the division of emotional roles between women and men, focusing on different cultural orientations. In masculine cultures it's towards success, performance and money, and in feminine cultures towards environment, quality of life, and relationship values. (Hofstede, 2009)

### 3.7 Future Trends of International Human Resource Management

In order to fully understand HRM, its role and processes, it is important to understand the future trends of it. However, forecasting the future of HRM is hard as there can be unexpected contingencies and changes in laws, directives, and governmental guidelines. Despite these factors, presented below, there are five trends that are predicted to impact HR in the future years.

Firstly, health and wellness is a growing concern for organizations as the cost of health care is constantly increasing. Chief financial officers have identified health care costs as the number one issue facing the organizations. To address this issue, organizations are turning to wellness initiatives, reconsidering what health plans to offer, or even passing the increased costs on the their employees. Also the modern technology is used in work places in order to manage the health care costs, such as fitness trackers to encourage healthier lifestyle. (Kavanagh & Johnson 2018)

Secondly, demographic workforce changes are causing some challenges for HRM. When having a workforce with large ethnic, cultural, and age diversity, the HR

departments have to come up with new recruitment and retention strategies that appeal attractive to everyone. Also, with multiple generations working together, there will be various experiences about the use of technology at work, as the younger employees will most likely have different expectations than the older ones. However, diversity in workforce is a competitive necessity that has to be managed effectively in order to gain leverage. (Kavanagh & Johnson 2018)

Another major challenge facing organizations is employee engagement and retention. Lack of engagement costs organizations a lot of money in lost productivity. It is crucial that organizations pay attention on how to connect employees and increase their engagement at work in order to have a loyal and efficient employee base. (Kavanagh & Johnson 2018)

One of the most important themes moving forward for HR will be the growing governmental requirements. Even though HR has always been affected by legal compliance, the pace of regulations is constantly increasing. There are changing laws concerning workplace safety, discrimination and hiring practices to name a few. The HR departments must be prepared to implement these changes and make sure they have enough information to support these adjustments. (Kavanagh & Johnson 2018)

A final future trend in HRM, is the virtualization of work. Because of modern technology, employees can work anywhere at any time. Given the growing use of telecommuting and virtual teams, organizations will increasingly need to be aware of the benefits and risks of managing employees in the virtual workplace. (Kavanagh & Johnson 2018)

## 4 CASE HUNKEMÖLLER – GLOBALIZING HUMAN RESOURCE MANAGEMENT

This chapter is essential part of the thesis as it introduces Hunkemöller International B.V.'s HR activities in detail and covers factors behind the success of their global HR operations. Furthermore, the reasons behind Hunkemöller's internationalization are explained. This chapter is written based on empirical research. While conducting a six month internship as a Global HR Trainee at Hunkemöller's international headquarters, the author was able to observe the global HR department and interview a few specialists.

### 4.1 Company Introduction

First the company will be introduced. Additionally, the company values and some of the terms that are constantly used within the company, need to be explained. It is important to apprehend these key words in order to truly gain understanding of how the international HR practices work at Hunkemöller.

Hunkemöller International B.V. is Europe's fastest growing lingerie brand and the market leader in Germany, the Netherlands, Belgium and Luxembourg. (Hunkemöller 2016, Our Brand Journey) Hunkemöller has more than 900 stores in over 25 countries. The company's strategic vision is to spread across the globe in the next few years.

However, Hunkemöller hasn't always been an international brand. It was founded in 1886 in Amsterdam but opened its first store outside the Netherlands only in 1977. (Hunkemöller 2016, Our Brand Journey) Nevertheless, during the last 20 years the brand's growth has been rapid. Globalization and internationalization have been crucial elements in expanding the business and they will continue to carry extreme importance when pursuing the vision of spreading across the globe in the near future.

Hunkemöller has five values that form the core of the business. These values are fun, inspiring, passionate, sexy, and in-touch. Fun stands for Hunkemöller attitude. They say they enjoy what they do and want to show it. Inspiring describes Hunkemöller's motivation. They aim to be creative and think outside the box. Passionate is the heart of Hunkemöller's operation. They describe themselves passionate about lingerie and world-class service. Sexy is Hunkemöller's look. The company strives to be self-

confident and to show pride in its brand. In-touch stands for Hunkemöller spirit. They try to listen, interact and involve others by offering their best. Hunkemöller aims to ensure that all of their employees work according the company values.

'Shero' is a term used to describe Hunkemöller's target market. She is Hunkemöller's muse and inspiration. A typical 'Shero' is a woman in her twenties, living in a metropolitan city together with her boyfriend and building an ambitious career. Her strength lies in the fact that she is 100% in touch with herself. That is what makes her so attractive as a role model. This fictional character, 'Shero', has been created to encapsulate all the qualities and shopping behaviors of Hunkemöller's typical customer, which is why she helps the company to focus their efforts in creating and developing the best possible products, communications and services.

Term, World-Class Service (WCS), describes the consistency and quality of the service they try to achieve in Hunkemöller stores. It has traditionally meant a welcoming meet-and-greet, inspiring advice and a memorable goodbye that makes the customer feel welcomed back. Now, in the current omni-channel retail environment, the WCS has become much more. Hunkemöller's store staff is now trained to offer a seamless experience regardless of whether the Shero starts or ends her shopping journey in the store. This could mean retrieving an order, processing an online return, or placing a new order via Hunkemöller app or in-store ordering system. Omni-channel retail means that Hunkemöller has an increasing number of customer journeys: from where customers are engaged and inspired, to where they choose to make a purchase, through to where products are collected and delivered. Finally, it is crucial to acknowledge also how to stay connected for the after-sales experience. This virtuous circle illustration is a typical customer journey and a reference for Hunkemöller's teams to focus on every stage of the journey.

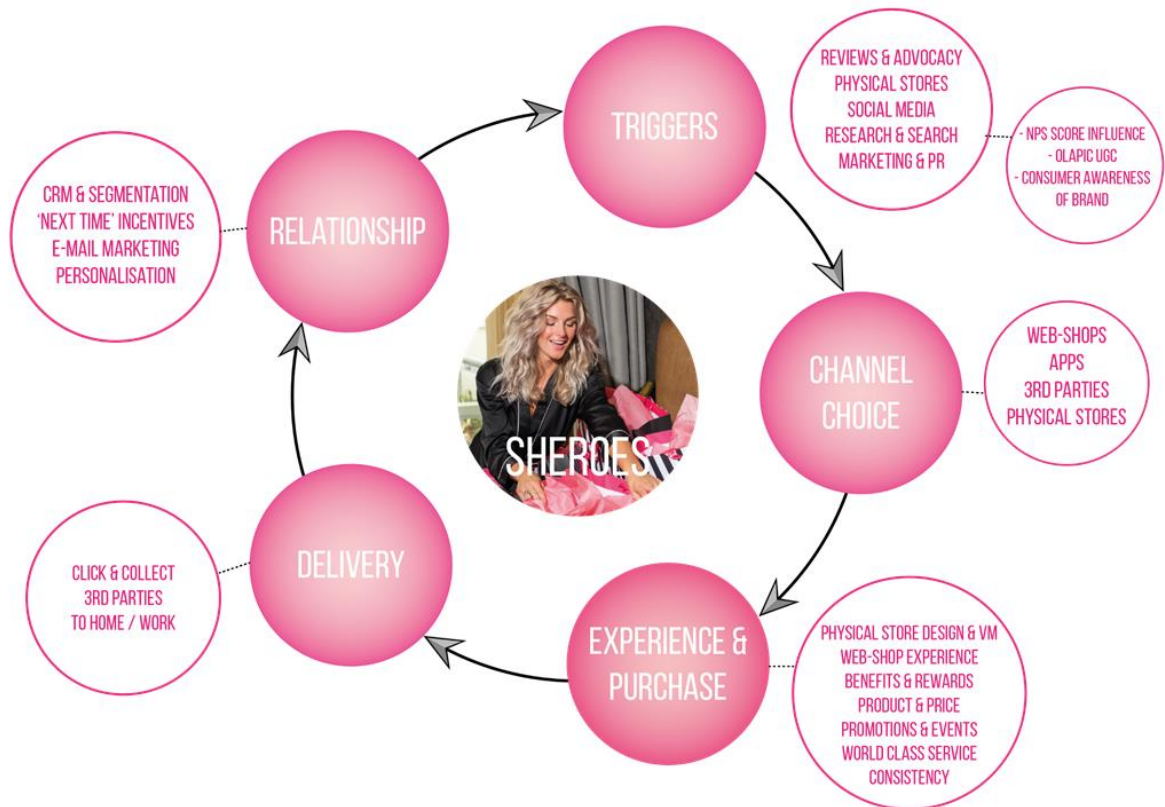


Figure 1 Virtuous circle

#### 4.2 Internationalization at Hunkemöller

In order to understand why Hunkemöller went international, and how they currently operate as a multinational company, Marc van Maris, Hunkemöller's Director of Strategy, Business Development and Expansion, was interviewed. He started his career at Hunkemöller in 2005 when the company was already operating internationally. However, during his years at Hunkemöller, the company's growth has been rapid and he has gained broad experience in expanding the organization even outside of Europe. The following is written based on the interview with Marc van Maris on April 5th 2019.

Hunkemöller became an international organization only a little more than 30 years ago. The company was founded in 1886 by Wilhelm Hunkemöller and his wife Josephina Lexis. Back then it was a special shop for corsets and bustles in Amsterdam. In the following decades the family owned business expanded and opened stores in



Amsterdam, Rotterdam and Utrecht. In 1974 Hunkemöller was acquired by Vendex subsidiary Confendex B.V., and the company name was changed from Hunkemöller Lexis to Hunkemöller. As the Dutch market started to get too small, Hunkemöller decided to go international and expand outside the borders of the Netherlands. In 1977 the company opened its first stores in the Dutch-speaking parts of Belgium, and later on, in rest of the country. Ten years later, in 1987, Hunkemöller expanded to Germany and continued expanding steadily to other countries throughout Europe. In 2015, Hunkemöller was acquired by the Carlyle Group.

Currently Hunkemöller has own stores in Austria, Belgium, China, Denmark, France, Germany, Luxembourg, the Netherlands, Norway, Poland, Russia, Spain, Sweden and Switzerland. Furthermore, Hunkemöller has franchise stores in Aruba, Bahrain, Belarus, Curaçao, Egypt, Greece, India, Morocco, Oman, Panama, Saudi Arabia, Ukraine, and United Arab Emirates.

The main factor driving Hunkemöller's expansion today is the desire to grow the company and create value. However, as mentioned earlier, expanding to new countries requires a lot of work and has several challenges. When making a new market entry, everything needs to be set up according to the laws and regulations of each country. Also the cultural factors and political situation need to be considered before entering a new market. Additionally, the economy, current market situation, demand and spending power must be evaluated. It is also important to see who are the main competitors in each country and how they operate. These factors are not only crucial when entering new markets, but need to be considered on all markets also on a daily basis. In order to ensure that the business is successful and profitable in every country Hunkemöller operates in, they have created a term 'glocal'. It describes their approach as a global brand to understand and develop country-specific retail strategies. Their 'glocal' approach is part of understanding customers better than the competition. Hunkemöller aims to optimize their global brand appeal and product offer with local knowledge, as their target market has different taste, size and weather requirements depending on the location. This way Hunkemöller is able to tailor their products to each market, which has proven to improve full price sell-through, offering broader choice for the customers.

The shift from a family owned Dutch company to a multinational organization, has had a significant influence on the brand image. Hunkemöller started as a small corset manufacturer and slowly developed into a large underwear producer. Today Hunkemöller considers they have reached a situation where they are able to offer a

combination of fashionable products, an inspiring customer journey, passionate staff delivering great service, and clever use of new technology and social media to build lifetime loyalty. This has resulted in growing business results. The figures below represent Hunkemöller's development during the past decade. As can be seen, in eight years the number of stores has almost doubled, and the total net sales have more than doubled. (Hunkemöller Strategy 2019-2023)

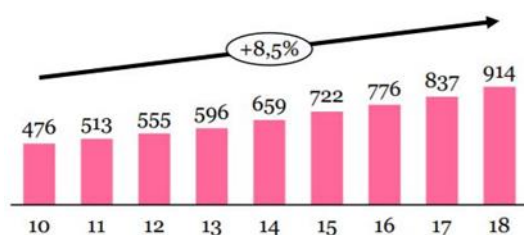


Figure 3 The total net sales

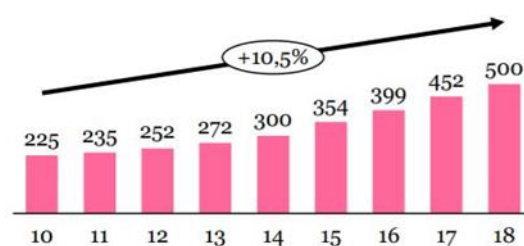


Figure 2 The number of stores

The biggest change happened when the current CEO, Philip Mountford, took over in 2009. He wanted to make Hunkemöller the first lingerie choice for women in Europe. Therefore, the company focused on designing their vision and strategy around their target market, the 'Sheroes'. Hunkemöller understood that their target customers of today have more choices, lower prices, and more ways to shop than ever before. New market entrants create responsive business models that quickly understand the latest trends and deliver products to customers fast. The often called fast fashion, which means cheap clothing produced rapidly by mass-market retailers in response to the latest trends, is now the fashion norm. Furthermore, the e-commerce giants are now serious fashion players – from Amazon to Zalando – with increasing credibility of their brands, ranges and marketing. Therefore, it's crucial to continually inspire and engage the target customers.

However, Hunkemöller has also thought of other ways to stand out and make a difference. They have positioned themselves to be a highly accessible brand that is inclusive but still offering a premium shopping experience. Furthermore, they aspire to design 95% of their products in house which is aimed to provide uniqueness, and a perfect combination of surprise and consistency. In addition, Hunkemöller leads omni-channel retailing in the European market. This ensures that they are able to offer several

ways to shop for their customers. Hunkemöller describes themselves being a social business, which is why all of their employees are empowered to be active brand advocates. This also reflects on their service as they strive to offer the products and experience only a true specialist can deliver. Lastly, Hunkemöller stores are designed to provide a premium and inspiring brand experience, aiming above the average 'high street' stores. As one tool to reach this goal, they have tried to ensure that on their main markets, customers are always near a physical Hunkemöller store.

#### 4.3 Human Resource Processes at Hunkemöller

Hunkemöller's mission is to be a much loved global and social brand. To achieve this, Hunkemöller has divided their HR processes into five functions.

The first function is called attract, select and recruit. To create genuine and consistent World-Class Service, without major investments in training, it is crucial that Hunkemöller hires candidates who already have a service mentality and love the company's products and the brand. To attract the most potential candidates, Hunkemöller makes sure to post their open vacancies to the most suitable sites where 'Sheroes', can be reached. Hunkemöller 'hires for attitude and trains for skill'. Therefore, the most appropriate candidates for the next round are chosen through a video interview. From the submitted videos, the recruiters try to perceive which candidates are the best fit for Hunkemöller. Those candidates are then invited to a face-to-face interview from which the best candidate is hired.

Second function is the internal talent pool. In order to be a great place to work and expand rapidly, Hunkemöller wants to offer an exciting and realistic career path. This is focused on transitioning store employees to becoming store and regional managers, as well as retaining trainees to progress their careers from entry-level roles at Hunkemöller headquarters. Hunkemöller's various internal programs, along with mentoring those with high potential, will grow the company's capabilities and nurture their future leaders.

Learning and development is also an extremely important function for Hunkemöller's HR processes. Hunkemöller wants to deliver service that exceeds their customers' expectations. They want to encourage their target customers to return as often as possible, and tell their friends and family about the great shopping experience they've had. To create consistent service, training is essential. To make this happen,

Hunkemöller uses online training to ensure that their staff has up-to-date evaluated and certified expertise. Hunkemöller has a global network of trainers who support the online programmes by offering in-store training that focuses on high service levels. In addition, Hunkemöller internally certifies training ambassadors to train other stores. These training ambassadors are store employees who offer exceptionally great service and are therefore chosen to teach other employees to do the same. Each training ambassador has six stores in which they visit alongside their day job, four days a month. This is seen to be cost efficient and a positive development opportunity.

Furthermore, Hunkemöller has tried to put emphasis on being a great place to work. They want their employees to live the brand values. Hunkemöller wants employees to feel fit, vital and happy, whilst having fun at work and being passionate about what they do. Therefore, they have a Fit Vital Happy –committee that is responsible for organizing different workshops, events, and activities on regular basis to keep all the staff members healthy, both physically and mentally. Hunkemöller has succeeded well in this, as they have gotten the Top Employer certification twice in a row now, in 2018 and 2019.

Moreover, Hunkemöller strives to be a truly social business both internally and externally. They believe that being fully in-touch with their employees makes all the difference. This is why Hunkemöller's board and business leadership team aims to be fully accessible online and offline. Based on the employee survey carried out in mid-2018, 75% of Hunkemöller's current staff thinks that Hunkemöller is a great place to work.

The fifth function is efficient HR processes. Hunkemöller strives to be as efficient as possible in their HR processes. To achieve this goal, they aim to ensure an easy access to global people data through an internal program called Workday. It was designed from a scratch in partnership with Hunkemöller's team. Workday meets all of Hunkemöller's enterprise human capital needs in one HR management system and is a significant tool in daily HR operations.

Additionally, the clear structure of Hunkemöller's HR department has had a positive impact on making the HR processes more efficient. Their head of HR is the Global HR Director who has the support of the global HR team. This team consists of global learning and development unit, global recruitment unit, and Global HR Coordinator who is the right hand for the Global HR Director. The global team operates in the international headquarters of Hunkemöller, and is responsible for the HR operations globally. Moreover, their task is to ensure that all the HR processes and operations are aligned

globally, in order to have similar structure and guidelines throughout all the countries. Therefore, they have created 'My HR Guide' which contains common guidelines, rules, regulations, and laws regarding all the HR related issues. This guide is distributed for all the employees globally. However, some laws and regulations vary depending on the country. Thus, the guide has to be modified accordingly everytime Hunkemöller enters a new market.

Furthermore, Hunkemöller has regional HR teams ensuring that HR operations in national scope are running smoothly. Currently these regions are BENEFRIX (Belgium, the Netherlands, France, Luxembourg), DACH-PO (Germany, Austria, Switzerland, Poland), Scandinavia (Denmark, Sweden, Norway), Spain, and Russia. Each region has an own team, as well as an own HR manager who is also important part of the global team. The HR managers deliver valuable input from their own regions that directly effects the global operations.

#### 4.4 Human Resource Management System at Hunkemöller

Since Hunkemöller is constantly expanding, the head count keeps growing continuously. Therefore, it is crucial that the organization has an effective human resource management system in place. This way they can secure that all the employee data is easily accessible and up to date.

As introduced above, since 2016, Hunkemöller has been using globally an HRM system called Workday. It provides information about the personal data of each employee, such as contact details, contract information, work history, and compensation. It is also used to conduct company-wide processes such as performance reviews, recruitment, and talent management. Furthermore, Workday shows realtime head count, average age of employees, and average length of service, to name a few examples. All this information can be filtered per country, per role, or per gender. Workday is not important tool just for the HR department but also for all the employees as they can use Workday for their personal needs, such as for requesting holidays or checking payslips.

Considering the importance of Workday system, Petra Dabic, the Global HR Standards and Systems Manager, was interviewed. The following parts are written based on the interview with her on April 16<sup>th</sup> 2019.

Dabic oversees the development of HR information systems within the organization. She works intensively with Workday and therefore is a go-to-person whenever there are questions regarding the system or its development. Since Workday is a relatively new system within Hunkemöller, also Dabic's role is very new. This is why currently the majority of her time is spent cleaning and adjusting the system to be as clear and structured as possible. Once that's done, she will have more time to develop the system to meet the needs of the organization even better.

Strategically speaking, Dabic's most important task is to ensure that everything is aligned globally and the HR systems are operated accordingly with Hunkemöller's values. Additionally, Dabic's contribution in making Workday an efficient platform, enhances the performance of the whole organization. It saves significant amount of time and manpower when all the necessary information is easily accessible. It is also cost efficient since resources can be utilized where they are needed the most.

As the biggest challenge in managing HR systems on global level, Dabic names the remote location. She works at Hunkemöller headquarters in the Netherlands. This means that she is able to communicate well with the Dutch HR team since they work in the same building with her. Communication with the HR teams of other countries is more difficult since it needs to be done via email or skype, which can be slow and frustrating. Therefore, all the countries are not on the same level with the efficient use of Workday, which can be a big challenge in daily operations. Ideal situation would be that each country could find and provide the same information within the same time frame. However, currently this is not the case. This is something that the Global HR Director is aware of, and they are constantly trying to improve the situation together with Dabic.

#### 4.5 Evaluation of Hunkemöller's Global Human Resource Activities

Based on the observations of the author, Hunkemöller is rather successful in their global human resource operations. Hunkemöller has received the Top Employer certification twice in a row, in 2018 and 2019. Additionally, based on the employee survey carried out in mid-2018, 75% of Hunkemöller's current staff thinks that Hunkemöller is a great place to work. Also Hunkemöller's impressive business results indicate that the global HR department has succeeded in attracting employees that are committed to develop the organization further. As mentioned above, in eight years the number of Hunkemöller stores has almost doubled, and the total net sales have more than doubled.

Below, there are evaluated the most important factors that have made it possible for Hunkemöller to run their global HR activities smoothly.

**Time and experience.** Even though lately Hunkemöller's expansion has been rapid, the first steps of their internationalization were taken fairly slow and steady over a few decades. This has allowed them to educate themselves, develop effective strategies, and sharpen global operations at peace, resulting in valuable experience and knowledge on how to run global activities successfully. Therefore, today Hunkemöller has been able to create competent global HR strategies that are constantly developed according the dynamic world of retail. These strategies are then communicated for all the HR professionals globally and translated in a way that everyone understands them.

**Motivated and competent staff.** One of the main reasons Hunkemöller's HR department is delivering such great results, is that they have been able to recruit highly competent personnel. Hunkemöller 'hires for attitude and trains for skill', which has allowed them to collect a team of enthusiastic, open-minded, and creative HR professionals who are persistent to find solutions and reach goals, no matter which nationality they represent. Furthermore, their internal talent pool allows the employees to grow within the company, which adds commitment and motivation among the personnel.

**Clear structure of the HR department.** Another factor supporting the exemplary operation of Hunkemöller's HR department, is their well organized structure. All the employees have a significant role and everyone's input matters, which keeps them highly motivated. This is also cost efficient as there are no unnecessary roles. The regions are distributed among the HR managers in a way that no one has too heavy workload. The Global HR Director actively monitors all the regions, communicates openly with the HR managers, and makes sure they are reaching the targets. Furthermore, the Global HR Director is part of Hunkemöller's board, and thus receives support from the rest of the top management in order to form the best HR strategies and ensure there are enough resources invested in HR.

**Efficient HRM System.** Having a well functioning HRM system in place, is a big reason why Hunkemöller is able to carry out successful HR operations on global level. Workday allows all the HR professionals globally to find the necessary data easily and effortlessly. This makes it possible for them to focus on key issues instead of wasting time looking for information.

## 5 CONCLUSIONS

As the previous chapters have indicated, there are several important characteristics that organizations need to implement in order to successfully globalize their human resource activities. This chapter offers suggestions about how organizations can further improve their current IHRM strategies or even move their HRM strategies to completely new markets. The entire research for this thesis has included theories about internationalization and globalization, study about the international human resource management, and a case example of a company that has successfully globalized their human resource management. The following conclusions have been formed based on an analysis of the whole research for this thesis.

### 1. Understand the markets

Firstly, regardless of the size, nature, or industry of the enterprise, it is crucial to understand the markets they are entering, or already operating in. Without understanding the markets first, it is impossible to plan and implement the next steps in the internationalization process. Therefore, a thorough research about the market conditions and features is necessary. Companies can use several different tools for their market research, such as PESTEL –analysis and SWOT –analysis. PESTEL is a framework used to analyse and monitor the factors in external marketing environment that have an impact on an organisation. These factors are political, economic, social, technological, environmental, and legal. The result of PESTEL -analysis is used in SWOT –analysis, which aims to identify organization’s internal strengths and weaknesses, as well as its external opportunities and threats. Once the company has a thorough understanding of the markets, they can start developing suitable HR activities. The strategic HR guidelines should be aligned globally, but must be modified to suit each market the best way possible. In order to achieve this, the economy, current market situation, demand, and spending power of each market must be evaluated. Only then individualised and relevant recruitment strategies, reward systems, and HRM processes can be developed .

### 2. Recruit key personnel

The next step is to hire key personnel who will actively participate on driving the globalization on a daily basis. These HR professionals should form a team of competent and motivated specialists, who are willing to find solutions, reach goals, spread the



corporate culture, and lead and guide the rest of the units of the company through globalization. As mentioned earlier, it would be ideal that these HR professionals would have prior experience in the industry, and working in global assignments, because understanding the markets and having general business knowledge allow them to take control and develop global corporate operations together with the top management.

There are multiple ways to recruit key personnel, such as head hunting. However, instead of finding the key people, the organization should be able to attract them to the company and motivate them to join and perform successfully. In order to achieve this, it is essential for HRM to understand in advance, which are the most reliable sources of information people use and trust in each country, which style of job advertisements they prefer, and what are they looking for from a perfect job placement.

Even if someone is not hired, they should have a positive image about the organization in order to spread positive information about available positions and about the organization in general. In fact, the company image, as a responsible employer, should be created even before hiring the key personnel. Therefore, it is important to take care of the corporate environment and benefits offers at all times.

### 3. Build corporate guidelines and global HRM processes

Building relevant guidelines for all the markets is a challenging but critical part of internationalization. The global guidelines determine how the processes will be implemented in the new markets and in the global environment. One of the suggestions in centralizing the decision-making and building the common rules, is to create guidelines of different levels. This would mean that the headquarters of an organization are still responsible for all the key issues upon business needs and global environment, while local leaders can make their own decisions about more localized operations. The global guidelines show the basic business direction, and regions can decide by themselves how they are going to follow this path. In order to make this succeed, constant communication between headquarters and regions is necessary. Furthermore, the regions have to keep in mind that all the guidelines still need to follow the corporate visions and the core decisions should be approved by headquarters and top management.

Building global HRM processes and adapting them to local operations, is closely connected to the decisions about global guidelines. It is critical to have a clear HRM system where all the global HR data can be stored. This type of a platform is an effective tool in managing the information related to global HR, and therefore all the HR

professionals should have an access to it. However, it is important to ensure that the confidential data is only to be seen by those parties that have been granted the clearance for it.

In terms of staffing, it is useful to understand how recruitment and selection processes can be adapted to each market. As local HR managers have a better understanding of how recruitment works in their country, their ideas should be listened to, and a system that follows their expectations and corporate needs should be built.

In order to introduce the company and give an overview of its major operations and goals, the training should have the same content in each market. However, cultural and linguistic issues should be taken into consideration while planning the global trainings. Therefore, the execution of the training can vary depending on the region, as long as the results are the same globally.

What comes to compensation, the basic rates of salaries is one point of discussion for internationalization strategies. This means that the company should analyze expectations and average rates per country in order to offer reward system that will motivate employees to join and perform. This reward system should include a choice of benefits for the employees. This gives the company a competitive advantage as employees can freely get what they really want which increases their motivation.

#### 4. Spread international strategies inside the organization

One of the corner stones of success for every organization is the ability to engage everyone in the company with the corporate strategy. It is crucial to implement and explain the strategy in a way that all levels of the organization understand it and are motivated to contribute time and effort in order to execute the strategy and reach the goals.

When an organization enters international markets, the strategy has to be internationalized. This transformation requires the involvement and awareness of all business units. Therefore, each employee should understand how the internationalization will change the direction of the company. Furthermore, the employees should be able to see their own value in the process in order to stay motivated.

The role of HR is to explain the new global guidelines and to make sure that the communication is transparent and easily understandable. HR should also collect

feedback from the employees to see where improvements are necessary and whether the internationalization raises fears or pressure among the employees. If there are any concerns, HR should come up with an action plan on how to replace the negativity around internationalization with positivity. For instance, HR could market internationalization as a great opportunity for employees to develop their cross-cultural and international skills. Different kinds of expatriation programs could be created in order to build a global team who learn from each other and work towards the corporate goals together.

#### 5. Show appreciation

The final step of internationalizing HRM, is the constant presence of the top management and the global HR team. Continuous communication in the company is one of the keys to successful performance. All the stakeholders of the company should understand how the company is doing and where it is headed. Furthermore, the top management should ensure that they show appreciation towards all the employees regularly. This will make the workforce feel valued and thus increase their motivation to perform even better. There are multiple ways to show appreciation. One way to do it, is to set aside some time at the end of the day, for example every Friday, to give positive feedback at a Friday meeting. This could be done also on any other day. Anyone on the team can give positive feedback to anyone else on the team, which fosters an atmosphere of appreciation, respect and teamwork. It's a great opportunity to recognize co-workers for their weekly accomplishments and contributions in front of the team, and show them respect for working hard.

Another idea is to connect the rewards to the company. Hunkemöller can be used as an example. They have 'a restaurant presentation' once a month, which is a presentation held by the top management for the international headquarters. The goal of the presentation is to update the staff about how the company is currently doing in regards with the strategy and budget. In that presentation each team (HR, marketing, finance, design, buying etc.) would present what they have accomplished during the month. Then everyone would vote which team had the greatest impact towards the annual goals. The winning team would get a motivating and inspiring prize. This could be a gift voucher to Hunkemöller store, or a career training session on how to grow within the company. It would be a great way to show appreciation for employees, while also building a closer connection between the employees and Hunkemöller.

In order to prove that the company truly values their employees, only the sky is limit for creative ideas on how to show appreciation.

With these five steps, international companies are able to globalize their human resource management successfully. The theoretical part of this thesis has shown the importance of implementing these activities, in order to be efficient in the globalization process. Additionally, these steps have proven to be essential in globalizing the human resources in the case company, Hunkemöller International B.V.

## 6 SUMMARY

This chapter summarizes the core content and key findings of this thesis.

One of the most difficult challenges to international operations is the management of human resources. An effective and informed HRM function is vital to the success of all organizations with international operations. Conducting business successfully in more than one country requires the development of culturally sensitive HRM programs.

To globalize HRM successfully, the global HR role needs to have strong support of top management. This, in terms of high expectations about the contributions the IHRM function can make to the formulation and implementation of effective global strategies.

Secondly, the organisation has to have a people-oriented corporate culture. As a reflection of this, top management's support for the IHRM role has to be a long-term commitment to dedicate management resources to HR issues.

Furthermore, black and white thinking should be avoided. The organisation should be open-minded, and appreciate creative solutions and different ways of thinking. Cultural diversity needs to be encouraged as a natural way of life. Diverse ways of dealing with the complex issues in global HR also need to be accepted as normal.

Moreover, the global HR staff has to be competent and credible. To earn that credibility, global HR managers must accept the risk and responsibility for putting forward policies and practices that make a difference in the achievement of corporate global strategies.

Finally, one of the key actions international organizations should take, is implementing a common value system that is shared across the organization. However, multiple national cultures and local differences often cause difficulties in becoming a truly international organization.

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