

Text of Interview with Professor Chris Brewster, Henley College, UK by David Mason-Jones

It is folly for HR directors to try and apply uniform solutions to every employment market in the world. Chris Brewster, Professor of international human resource management at Henley Management College, UK, says that understanding the local context is always critical in effective HR management at the international level. David Mason-Jones reports.

Pulls Quotes

"It's important to take time to explore the shades of gray and the subtleties between markets in the international HR scene."

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"I think it's critical that HR directors and managers have the big picture clear in their mind."

"Look closely at where the biggest operating costs are in the business."

Text

The importance of understanding HR issues within their context is often overlooked in HR theory and practice in the world today. What may be appropriate in the context of one culture or economy may not be appropriate within the context of another. This is one of the central challenges for HR professionals throughout the world as highlighted by Professor Chris Brewster in his recent visit to the region.

Brewster, who started his HR career as a union representative in a UK engineering and construction company more than thirty years ago, has come to this conclusion over a thirty year period combining practical experience with academic research. He has witnessed the expansion of HR from a purely industrial relations role in the setting of a domestic economy to a management stream with a truly global reach.

"The context in which HR decisions are made is all the more critical as the role of MNC's grows in the international economy. HR needs to find its local context as the globalisation of everything becomes more and more a fact of everyday life," says Brewster.

The position of union representative gave Brewster an enviable shop-floor experience of the nitty-gritty day to day experience of worker negotiation with employer interests. It also gave him a taste what may now be regarded as the old style industrial relations regime with its underlying tenet being that the interests of the workers and the interests of capital were divergent and for ever in conflict.

From there Brewster's career has broadened so that he has seen HR issues from both the perspective of a senior HR position within the airline industry as well as from the perspective of academic study. He is now a leading academic in one of the world's leading MBA programs.

One reality facing HR directors in MNCs in Asia more so than in Europe, US or Australia, is the fact that there is an emergence two separate economies in many nations. One economy is the globally connected economy with high HR standards and the other is the non-global or local economy in which HR standards are often poor. A challenge Brewster has studied is how to reconcile this divergence between two realities in a single economy.

"This is certainly a question of context and there can certainly be an ethical question involved here," says Brewster. "But there is a point where the ethical questions translate into a hard-nosed practical business questions."

It is true that international companies are attracted to emerging economies because of cheap labour or because HR standards are much lower than in their country of origin. Taken too far this can lead to the exploitation of workers and the wielding of unfair commercial power in a weakly organised labour market. Many companies are trying to find ways of handling that problem, not only because there is a human dignity issue involved but because there is a self interest issue as well - no international company wants to be lobbied and harried in the media over allegations of repression and exploitation of workers in emerging countries.

Brewster says: "I think one of the keys for companies is to conduct their affairs honourably within the context of the country where they are employing labour. This goes back to my belief about recognising cultural differences and subtleties in different nations. Employees in an emerging economy need to see that they are receiving the HR conditions that are fair and reasonable within their national context."

Many international companies are coming to the conclusion that if good HR management is important in their own country of origin it is also important in any other country. But this doesn't mean that concerned companies should impose exact HR replicas in every country in which they operate.

"The best approach is to recognise the context in each separate country and apply HR principles to the real conditions of culture and expectation that exist there," says Brewster.

"And when looking at the factor of context, I will be very interested to see how the HR scene develops in China and India. Each is a strongly emerging economy but each has a differing set of cultural preconditions," he says.

Another area where context is important is in the role of unions. The power, prestige and

role of unions has see-sawed over the past 100 years and seems to be on the wane in many countries today. The possibility now exists that the enlightened self interest of companies and improved HR management can replace the role that unions once had as the guardians of worker rights.

Brewster is cautious. "Again, it is the context which becomes important in this question. I think the days of the militant and confrontational unions are over. But this does not make unions redundant."

Union membership is dropping in countries like Australia and the UK but in other countries - such as Norway and Sweden - there has always been high union membership of over 90% of workers. This continues to be the case.

"Norway and Sweden are the home base for some high performing world companies such as Nokia and so it is not the existence of unions which determines success or failure of economies. Rather it is the context in which they operate. The unions in Norway and Sweden have always taken a cooperative approach with companies rather than a confronting approach," says Brewster.

Another factor about context and the role of unions is the different way in which communication with the workforce takes place in different countries. In countries like Norway worker communication is achieved through the unions more than through the company's own management structure. In these situations, the role of unions will be important for a long time yet and will generally be positive.

Brewster comments: "My advice for HR managers with regard to unions is to deal with the context of the country in which you are located. Deal with what's in front of you and don't wait for them to disappear. Unions will be a part of the HR scene for a long time to come."

The importance of context will also come to the forefront as HR directors work through the developing trend towards flexible work arrangements in Asia. What may be regarded as a sign of company trust and esteem in one place - such as the ability for employees to work on-line from home - may be seen as a sign of reduced employer esteem and personal status in another place.

"The ability, therefore, to recognise the context will be important in deciding which flexible work arrangements are most appropriate in which setting," says Brewster.

Understanding context - the context of how work has been organised in the past and how it may be organised in the future - is also important for HR directors in understanding their own roles.

It is a fascinating time for the way in which the concept of work is to be organised in the future. Flexible work arrangements will certainly play a part in this.

"With the need for greater flexibility I think there's going to be a 'back to the future' aspect in the way things change in the future," says Brewster.

Back at the start of the industrial revolution work was organised in a highly flexible range of structures and modes. These included part time work, full time work, contract work, remote work and so on. There was every conceivable form of work unit which allowed work to be completed on a 24x7 basis. Gradually work tended to become focussed on the factory model where it was nine-to-five, or shifts, at a specific workstation at a specific location. But there is nothing normal about the factory model - there was an earlier way of organising work.

"I think what we will see in the future is a return to many features of the earlier work model. This will involve much more flexibility in work arrangements. The internet and modern communications will be a huge enabler of this - and the trends are already under way.

"As this trend towards flexible work arrangements develops, HR managers should no longer think of themselves as being 'managers of employment'. The idea of 'employment' locks the HR managers into an employment paradigm and hinders the exploration of other ways of organising work.

"In future it might be a better for HR managers to think of themselves as being managers of 'the way that work gets done', he says.

<Side box 1 starts>

HC: If you had one piece of advice for HR professionals, what would it be?

Brewster: To get the big picture clear in their mind. Once they have that right they then need to focus their efforts on effective implementation of their ideas and not on endless policy discussion.

HC: If you had one piece of advice for senior line managers, what would that be?

Brewster: Look closely at where the biggest operating costs are in the business. In a huge proportion of businesses, this will be in the people. Make sure that this money is being spent effectively. This mindset will lead to an approach which puts the HR management of the company in its correct perspective - a substantial contributor to the bottom line.

When I talk with successful CEO's I find they actually spend most of their time involved in some way with the people issues within their organisations.

HC: What has been the importance of academic study for you?

Brewster: It's important to take time to explore the shades of gray and the subtleties between markets in the international HR scene. Academic study is a good way of doing this.

I found that undertaking a PhD while I was still a personnel manager in the airline industry was a time of real discovery for me. As I was employed I had to face the discipline of studying under pressure and yet grasp the opportunity of lifting my head up above the immediate day-to-day- challenges of my work. I think that this is the same challenge which faces many HR practitioners today. In the workplace you are often focussed on the next decision. Academic study allows you to take a deep breath and look at the whole field from a broader perspective. The challenge for HR managers is to be able to get their heads across both the day to day practical matters and the academic body of thought.

HC: Would you like to put any caveats around the need for academic study?

Brewster: “I think there is a tendency among some academics to teach as if HR practice is, or should be, the same everywhere. I'm against this approach. I'm for the approach which recognises that HR directors need to come to grips with the differences and subtleties in different regions of the globe.

HC: What is your proudest achievement in the HR field?

Brewster: I'm proud of the recognition I recently received from the World Federation of Personnel Management Federations in the Georges Petipas Award in 2002. The gratifying thing for me is that the award usually goes to a practitioner and I am one of the very few academics to have received it.

<Side box No 2 starts>

Chris Brewster is Professor of International Human Resource Management at Henley Management College in the UK. Previously he held the same title at Cranfield and at South Bank Universities. He had substantial experience in trade unions, Government, specialist journals, personnel management in construction and air transport, and consultancy, before becoming an academic almost twenty years ago. He has conducted extensive research in the field of international and comparative HRM; and published some twenty books and over a hundred articles. In 2002 Chris Brewster was awarded the Georges Petitpas Memorial Award by the practitioner body, the World Federation of Personnel Management Associations, in recognition of his outstanding contribution to international human resource management.

Chris has researched extensively in many aspects of international and comparative HRM. He is currently continuing those interests, including researching HRM in international not-for-profits; international careers; employee consultation; and HR departments.

Henley Management College facilitates one of the world's largest MBA programs.