CHAPTER 1

Navigating the Complexities of a Global Organization

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We live and operate in a global world. A flu outbreak in Mexico has an impact on fruit pricing in Asia. A mortgage meltdown in the United States has an impact on world financial markets. Globalization brings with it a web of interconnectedness that did not exist previously, or at least not to the extent that it does now. Organizations today are affected by nearly everything that transpires around the world, not just the local markets or communities in which they operate. Although global supply chains have created huge market efficiencies, they have also brought vulnerabilities. Disruption to a key node in the supply chain can cause dramatic and unpredictable turbulence in the whole system. The financial and economic events of 2008 have demonstrated how tightly intertwined globalization has made the world and its systems.

Globalization has also had significant implications for organizational processes, systems, and operations. Years ago, when most of an organization's employees were generally in the same country and most of their business was conducted in their home country, life was simple. There was no need to worry about cultural differences, language differences, time zones, or local relevance. That luxury has long since disappeared and the reality of organizations today is that operating globally is a more complex undertaking than one might have expected. Becoming a truly global operator entails far more than simply selling the same thing in more places, hiring the same people in more locations, or just pushing out the same processes and procedures around the world. Operating in this mind-set is likely a recipe for failure. Globalization requires a business model that is adaptable and employees who openly welcome new ways of thinking.

Human Resources professionals provide value to their organization by successfully navigating the complexities of a global organization, and in doing so they bring the business strategy to life for their employees. They understand the human dynamics of operating in different cultures and how to facilitate the organization's success. HR professionals are tasked with the strategy and execution of all people-related processes and initiatives in the organization. In global organizations, that role takes on the additional complexity of operating across cultural and language barriers, operational differences, local relevance and appropriateness, time zones, and peak business and holiday schedules, just to name a few. This chapter will highlight examples of situations and contexts often encountered by HR practitioners operating within global organizations that may present challenges and offers specific suggestions for how to navigate in these global waters.

What Does It Mean to Be Global?

Although we live in a globalized world, there are still challenges in defining a global organization. Think of global organizations as snowflakes—no two look exactly alike. Organizations can operate under four distinct stages of globalization (Hewitt, 2009)—multinational, international, transitioning to global, and global. *Multinational* organizations have cross-border operations that are primarily decentralized and autonomous. *International* organizations have a headquarters that retains some decision-making control but the organization is still largely decentralized. Organizations *transitioning to global* are taking concrete steps to develop worldwide business strategies and policies (note that most organizations identify themselves as transitioning). Some organizations are truly *global* in that they develop strategies and policies on a worldwide basis and share resources across borders. Even for domestically focused organizations, globalization is just as salient, given relationships with suppliers, investors, and even nonnative employees.

What are the implications of those differences in globalization? In more decentralized organizations operating in the earlier stages of globalization, systems and processes are largely independent and disconnected. There are certainly advantages of this, in that these systems and processes can be tailored to the unique needs of the local operation and are often easier to create, execute, and adapt when local conditions warrant. A local operation can often be more nimble when not restricted to the longer and more effortful design and implementation of a global process (Sirkin, Hemerling, & Bhattacharya, 2008). If everyone is working independently and autonomously, however, the organization is not poised to leverage the best practices created and implemented within their very own organization. In addition, there is a significant amount of duplicated and wasted effort, as everyone works to re-create the wheel over and over again.

Understanding and leveraging organizational-level insights is also difficult. For example, assessing and securing enterprise-wide talent pools becomes much more of a challenge when there is little consistency in how things are measured and what information is tracked or shared. In organizations that are further along on the "global" continuum, everything often takes longer because of the required alignment and integration needed to be successful, but the synergies that are created are quite beneficial to the organization in the longer term. Getting to that point, however, requires a significant amount of work.

The Inherent Complexity of Globalization

The people in and related to organizations—whether employees, shareholders, or customers—bring with them cultural, geographical, geopolitical, and language attributes. How these different and varying attributes are managed and leveraged across constituent groups within the organization has an impact on how well organizations are run and ultimately on the organization's success. Cultures vary, even within countries, and certainly within and across continents. Understanding the complexity both within regions and on a global scale is especially important based on the significant increase in regional and global trade since 1959 (Kim & Shin, 2002). In the geographically structured organization, where divisions are represented by geography or country, as opposed to product or brand, understanding cultural complexities is critical to business success. For example, leaders responsible for an Asia Pacific division must understand the cultural differences that exist between Taiwan and New Zealand, or Japan and China, and modify their products and marketing appropriately. This is similar for a North American division—one cannot assume that what works in the United States will work also in Canada.

Cultures

These cultural implications apply to customers as well as to employees. In the late 1990s Walmart decided to open stores in Germany as part of their strategic growth initiative. Walmart purchased some small German retail chains and had a successful Walmart executive from Bentonville, Arkansas, run the operations. Nine years and one billion dollars later, Walmart pulled out of Germany. Their planned expansion was a total failure (Solomon & Schell, 2009). Walmart made a then common mistake by assuming that what worked in the United States would work everywhere. They expected that German shoppers would react the same way that American shoppers do to the greeters at the door and the clerks bagging their purchases at checkout. However, the German culture is more hierarchical. Shoppers were not as comfortable receiving the "How are you?" greeting at the door, nor were the German Walmart employees comfortable giving the greeting. German employees also participated in daily morning cheering sessions led by store managers, a practice in all U.S. stores. Corporate culture and national culture clashed. The successful Bentonville executive did not even speak German and required his management team to speak English. Walmart exported its entire U.S. corporate culture without appreciating the differences—and suffered significant consequences.

Governments and Regulations

Cultures are shaped by geography, language, politics, and leadership. Italy has seen over 60 governments in power since World War II. Changing governments and administrations imply changing laws and regulations. For example, if you are a global organization with operations in Italy, the changing government may affect how your business operates and ultimately your very success. Western organizations did very little business in Asian markets a generation ago. As governments lifted trade barriers, organizations recognized opportunities for new markets. For example, Pepsi was one of the first brands in Vietnam as soon as the trade barrier was lifted. Navigating geopolitical relationships can also be a challenge and can often influence how geographic organization structures are established. Do you put China and Taiwan in the same geography? How do you manage the Middle East? These political relationships spill over into how the organization is structured and even how products are transported and services provided.

In order to conduct business in a particular market, more and more global companies are relocating key operations and production facilities to high-growth countries. In addition to providing a significant local presence, this often enables the company to more effectively compete for local governmental contracts.

Languages

One cannot underestimate the power of language. In many global organizations, English is the official or de facto language of the business. Yet, if an organization wants to engage the hearts and minds of its employees, then communication in the native tongue is essential to ensure effectiveness.

We know that the way an organization communicates has huge implications for the engagement of the employees and the success of the organization (Welch & Welch, 2008). Literal translations often do not communicate the correct message or with the passion needed to motivate employees. Conducting translations and having in-country employees review the translation often works to ensure that the right message is being communicated. Even that may not be enough, though. Just because a message is translated accurately, the content of the message itself may be perceived as headquarters-centric. This may serve to alienate business units rather than bring them closer together as global units; they may feel that ‘‘corporate doesn’t ‘get us.’’’

Other examples can be quite basic in their headquarters-centric style. One of the authors worked with senior HR leadership to create a global communication regarding an upcoming global survey, noted as coming ‘‘later this summer.’’ That was fine for employees who would actually be in the summer months but for some regions, it would be winter. Such missteps are confusing at best, and divisive at worst, implying a very headquarters-centric mind-set and attitude. For many HR practitioners, it usually takes at least one or two such missteps before they start to operate in a truly global mind-set, more appropriate for the organization.

Organizational Structure

As described earlier in the various stages of globalization, organizations can have very centralized or decentralized operations. In a centralized organization there are typically centers of excellence which exist in a headquarters-type environment where they are responsible for the design and execution of programs and initiatives implemented in the field business units. Centralized organizations create standards of operation and performance to ensure consistency in global deployment. For example, the Disney experience is expected to be the same whether it is in Orlando or Paris. The organization is dependent upon the highest-quality customer experience for business success. In decentralized organizations, every business unit operates independently with its own set of processes and initiatives. For a business whose success is dependent upon local adaptability and flexibility, this model enables rapid response to changes in local markets. Each approach has its advantages and disadvantages depending upon the business model and market requirements. In at least one large global company we know of, and likely many more, both models are operating, centralizing some functions while decentralizing some operations. HR can and should help organizations match the right design with the business model and strategy.

To add to the complexity, many large, global organizations are matrixed in structure. There are product or brand lines overlaying geographies. If leaders think that managing multiple product lines is a challenge, it becomes exponentially more complex when product lines become matrixed with geographies. Key concern areas of staffing, resources, and customer coverage require ongoing negotiation between the local geography and the brand and products to ensure the right balance. Although global companies go to great lengths to interlock these requirements as part of their annual planning processes, modifications and adjustments are often needed during the year. Helping employees and leaders navigate the matrix structure is an important contribution that HR can make to overall organizational effectiveness, especially when employees join through acquisitions or external hiring.

Successfully managed global organizations have a clear understanding of how they work. As mentioned earlier regarding the continuum of definitions of globalization many companies understand which key business models are the sources of revenue. Even within the same industry, we see different operating or business models that drive how people interact and bring value into the organization. For example, PricewaterhouseCoopers defines itself as a network of partners and limits its top-down influence. Accenture sees itself as is a matrixed organization that is ultimately project-centered with the focus on what is right for the client project. PepsiCo and Starwood Hotels & Resorts are both collectives of clearly defined brands with a common set of core organizational values. Through its structure, each organization has defined for themselves how headquarters (HQ) and field are connected and how they work together to be successful. IBM is also a highly matrixed organization with the integration of products and services to meet customer needs as the core of its business success.

Headquarters versus the Field

For centralized organizations with centers of excellence, it is critical that input from the divisions or the field be solicited on a regular basis. It is a grand mistake to design a program or make decisions in headquarters without ‘‘vetting it’’ through the global divisions so that issues of culture, language, and operational reality are addressed and a successful implementation can be ensured. Nothing kills an initiative faster than saying it is a mandate from headquarters.

Even more than soliciting input from or vetting plans with the field, the best results come from true partnerships between the headquarters center and business partners in the field. The field partners are the ones with their ''finger on the pulse'' of the organization and can provide valuable input at all phases. Not only does a partnership result in a better end product or process, but there is a sense of ownership and buy-in that comes from this collaborative effort. This regular dialogue secures critical local ownership and sponsorship of the initiatives and their implementation. For instance, some organizations create global councils or task forces that meet regularly either for the duration of a discrete project or on a more extended basis to ensure true global representation and partnerships. Business and field representatives that participate are able to share not only how things should work, but also how they really are working, and what needs to change and how.

Centers of excellence should be pragmatic in approach. The reality is that programs and initiatives always seem to take much longer to implement than a project plan would suggest. Just because a decision is made and leaders are in agreement that an initiative is the right course of action does not mean that execution is as smooth and flawless as envisioned. Behavior change takes time. New initiatives and processes take time to become inculcated into the organizational culture, and new behaviors and expectations take time and effort to learn. This becomes exponentially more complicated when one considers issues of culture, language, and so on, not to mention the time and effort required for a cascaded rollout, communications strategy and plan, and possibly training for local HR, managers, and employees.

Centers of excellence (headquarters) should not assume that just because an initiative has launched that it is actually operating as it should. Some anecdotal research suggests that it takes three years, or three cycles, for the new initiative to take hold. Ironically, just as processes are taking hold out in the field, leaders in headquarters believe it is time to update and refresh or reengineer the process. Though there may be a business-driven need for the change, sometimes for the good of the organization it is better to keep the process consistent longer to ensure the business value is returned. Any type of change becomes a change-management issue facing even more complexity associated with culture, language, and local support. Some initiatives may need a longer shelf life than organizational development (OD) practitioners are willing to give.

Although eventual change may be inevitable, it is also a ‘‘must-do’’ for HQ to remember that employee consumers of HR processes do not have a singular focus on all things HR. They’re busy and often overwhelmed with the content of their own jobs, of which HR process plays but a small part. It is easy to forget in HQ or center-based jobs that employees in the field need additional communication, explanation, and context to keep everything straight. How does everything fit together? Why am I doing this? What do I do with this? Why are we changing things . . . again? HQ practitioners in global organizations often have significant distance between themselves and the employees that are ultimately the consumers of their goods, so the importance of a communications strategy and a set of well-designed and field-tested tools should not be underestimated.

Having a close connection and working relationship between the headquarters center of excellence and the field is critical for organizational success. There must be constant dialogue and feedback from the field so that the organization is balancing global organizational needs with local field needs. Global programs and initiatives must be designed with the field in mind and, given the variety of countries, cultures, languages, skill levels, and so forth, simplicity and ease of use are nonnegotiable design elements. This can be a challenge when the center of excellence is designing something perhaps ten steps removed from where they actually sit. For example, if the designer sits in the western United States, and the end user sits in Dubai, then there has to be some input from the employee in Dubai to secure effective implementation. If a program cannot be easily implemented then it is often deemed too complicated by the end user and chances of successful implementation are reduced. Practitioners can address this issue by conducting the appropriate focus groups, field testing, or pilot testing. Program execution without adequate field input and testing will likely fail in deployment.

The key for organizations and practitioners is to walk the fine line between designing the framework with instructions to implement and customize locally and trying to create consistent, global standards of excellence. Depending on the business model and sources of value to the company, organizations might be better served by erring on the side of encouraging local tailoring within defined boundaries to ensure that the program makes business sense at the field or local level.

Organizational Values

Most organizations have vision and values that define their organizational culture. Vision and values provide a common framework across the organization. They communicate what the organization stands for and how employees should conduct business and interact with one another and with customers. They set the tone for behavioral and performance expectations. Reward systems are based upon these values.

Many of these values espouse socially desirable behaviors, such as ''treat others with respect and dignity,'' ''the customer is always first,'' ''value teamwork and collaboration.'' Almost no one would argue against these values.

Yet how organizational values are defined and interpreted may be a source of confusion that can lead to conflict. How do organizational values and national or ethnic values coexist? Although socially desirable, organizational values are not necessarily fully in line with national or ethnic values (Nelson & Gopalan, 2003). There may be some overlap, especially in the area of personal behavior toward other employees, but there are also some differences. Tensions and conflicts can arise between the two if they are too divergent. For example, ''treat others with respect and dignity'' seems pretty innocuous. However, ethnically, it may be interpreted quite differently. In Asian cultures ''treating others with respect'' may be interpreted to mean that feedback is kept rather mundane and to a minimum, whereas in Western cultures ''treating others with respect'' could be interpreted as the opportunity to provide every possible bit of detailed feedback. As reward systems are based on organizational values, organizations then must take steps to ensure that there is consistency in communicating and rewarding expected behaviors.

Recently one of the authors experienced the conflict of organizational versus national culture over including a question on the global engagement survey regarding a willingness to challenge a superior when faced with a values issue. Though intended to address issues of integrity and candor, there were cultural implications to a question like this. In some cultures, employees would never think to challenge a superior; it is just not done. However, in order to create and maintain an ethical organizational culture the company's employees are encouraged to challenge others, especially at a higher level. From a compliance standpoint it is important to ask questions like this, but care is needed in the interpretation of the results, keeping in mind the biases of national culture.

Values tend to be identified and set at the top of the organization. Senior management has a role in defining what the organization stands for. Sometimes these values come from an organization's founder and sometimes they are defined by current management. If the organization is reexamining and redefining their values as a result of a new business strategy or leadership team, this is a great opportunity to get employee perspective and input—especially global input. IBM did this several years ago with their ''value jams'' initiative. The new CEO, Sam Palmisano, and the senior leadership team held an online, interactive dialogue with all IBM employees to identify and select the appropriate values for the ''new'' IBM (Hempel, 2006). The ''values jam'' ensured that the new IBM values would be embraced by all employees worldwide and reflect the global IBM culture. The ''value jams'' were a success with tens of thousands of global employees providing input and over a million employees and partners viewing the discussion.

Organizational versus Local Culture

Another interesting intersection revolves around organizational culture and local culture. Organizations tend to have a clear and somewhat dominating culture which may or may not be consistent with local culture. For example, an organizational culture of rapid response, results orientation, and working late nights and on weekends may not sit well in local cultures that place a heavy emphasis on family life, activities, and relaxation. Many have asked the question of which will win out when the two are in conflict—organizational culture or local culture? The easy answer here is probably the correct one—it depends. It depends on the strength and saliency of both cultures, and it depends on the individual and his or her desire for approval, and from whom. Another factor is likely to be the level of the individual employee. As individuals rise in the ranks within an organization, at a certain level they are often considered ''corporate assets.'' There is more interaction with senior leadership, and more impact and influence from the top. At this level, individuals are more likely to be driven by or at least influenced by organizational culture to a greater extent. Lower in the organization, where most if not all interaction and collaboration is with other local employees, local culture is likely to be the dominant one.

Global Mergers and Acquisitions

Global mergers and acquisitions carry unique challenges for the HR professional. Not only do you need to worry about the integration of two companies, but also the national cultural nuances of the acquisition. Key issues to consider include:

- Being acquired by a U.S.-based company (or one based in another country) and nationalistic attitudes associated with the acquisition on both the acquired and acquiring sides
- Managing the integration locally with a nonnative integration team and the potential language barriers
- Recognizing that local laws will govern the rate and pace of some integration activities—for

U.S.-Centric Not Always the Right Approach

As part of U.S.-based multinationals, we like to think that we are global and inclusive, and that we operate with a global mind-set, but too often it is easy to fall into bad habits. No matter where one sits in the world, that is the perspective that is usually taken. Consideration of our global colleagues in planning and decision making will lead to more effective outcomes.

Time Zones

Conducting conference calls with multiple participants can be quite a challenge. Managing different time zones can also be difficult. Conducting conference calls with an international audience, however, requires the coordination of a space shuttle launch. Conference calls scheduled for early morning New York time are still predawn hours in the western United States, middle of the night for Hawaii, and late evening for most of Asia. It will always be the middle of the night, or non-working hours, for someone in example, when the teams can meet to plan integration, works council involvement, and so on

- Sensitizing the integration team to company and national culture differences between the acquiring and acquired organizations
- Planning for the travel costs associated with securing the productive working relationships needed for acquisition success
- Understanding that reactions to the change will differ widely by local country culture
- Securing local professional change management support to deal with the acquired employees in their language and consistent with their culture
- Recognizing that effective acquisition integration requires trust and dialogue, which are much more complex and challenging in a global environment

When there are global acquisitions, effective integration is always a local activity.

the world. If global representation on a project or initiative is critical for its success, how do you minimize the personal impact of this coordination so that it is not burdensome for employees outside of headquarters? If scheduling makes it difficult for employees to participate then you defeat the purpose of having global representation. Ensuring that everyone shares equally in the work, and the burden, has been a workable solution adopted by many global companies. Rotating conference call times so everyone shares equally in off-hours calls is often the fair approach.

Work-Life Balance

Work-life balance is also taking on global meaning. Work-life balance has predominately been discussed and studied as a U.S.-based issue. Organizations striving to create great places to work have focused on work-life integration programs such as flextime, job shares, compressed work weeks, and so on. Recent research from the Boston Consulting Group (2008) on global HR challenges has found that work-life balance is now a global issue. In Latin America, Africa, and the emerging Asian markets of China and India, this issue has an impact on retention and development. In addition, European Union policymakers are now looking at work-time regulations of global organizations and creating policies to ensure balance.

Vacations

The culture of vacations is a related phenomenon. Outside the United States, employees actually use all their allotted vacation time. In European countries, employees receive a minimum of 30 to 40 days paid vacation which they will take seemingly regardless of the business environment. Vacation is viewed as a time to relax and renew, and employees are not in contact with the office. It is not uncommon to postpone important projects or meetings during the July and August months to avoid the European and Latin American holidays. Americans, on the other hand, are notorious for not using all their vacation time and working while on vacation. ''Blackberry vacations'' are quite common in the United States while unheard of (and not considered healthy) outside the United States. Unfortunately, this can set up different expectations regarding a person's availability.

Meetings and Conferences

Promoting or espousing a global focus is critical but sometimes there are practical considerations. What constitutes a ''global meeting'' really? For U.S.-based multinationals there is sometimes push-back from the international managers (or non-U.S. managers) to have to travel to headquarters or a U.S.-based destination. ''If we want to think and act like a global organization, we should not have all our meetings in the United States,'' was a statement often heard by one of the authors. This is a valid point that would often be in conflict with practical reality. It is usually cheaper and much more cost-effective to have meetings in the United States. Most of the meeting attendees (assuming management team) are already in the States, making for cheaper flights and accommodations. There are also perception issues to contend with. Global meetings held in exotic locations (anything outside the United States seems exotic) can be perceived as perks and boondoggles for those attending, creating bad press among employees and, potentially, among shareholders. Locations chosen for such meetings need to be tied to the meeting purpose and justified. If you are building new operations in China, a meeting in Beijing is definitely more appropriate than Chicago. If you're holding a global strategy meeting with representatives from all regions, it may make sense on some level to hold the meeting outside the United States, but when you realize you're flying eight people from the States to an international location to meet with three more people, it does raise a question of practicality.

Program Implementations

Business initiatives are more difficult to implement in a global organization. One has to maneuver language barriers, cultural issues, and business opportunities. It is a naïve assumption to believe that whatever business strategy or initiative that is created in headquarters will execute flawlessly worldwide. It is critical to work closely with the field. Gaining local program managers to implement the initiative will ensure the right rate and pace of the deployment in order to manage the change effectively. These local resources are also a key link back to the HQ organization on issues and challenges so that appropriate modifications can be made.

Compromise Is Golden

Another key challenge is to balance different business needs with successful implementation. Launching product initiatives and related training programs during an atypically busy time in the business calendar does not make good business sense, and the program is likely to receive limited attention. It also does not make sense to launch an initiative if the target audience—employees—will not be there to participate. One of the authors experienced just such a scenario with the launch of a worldwide employee survey at a global hospitality company. Although a global task force of OD practitioners representing all the divisions was in agreement that a two-week survey administration window was appropriate, there was much disagreement as to when in the calendar year to administer the survey. Some hotels and resorts were seasonal with increased staffing during these peak periods. However, when resorts hit their peak, business travel or urban hotels were slowing down. The compromise was a month-long window during which each hotel determined the two-week administration period that would best fit their individual occupancy and staffing cycle. Many global organizations today face similar challenges with diverse business models and busy times coexisting within the same organization. As always, the key is a true collaborative effort across boundaries to manage that delicate balance required to be successful.

Communication Is Key

Communication becomes an extraordinarily complex issue in global organizations. The organization needs to ensure that the intended meaning of the message is understood by the receiver. Unfortunately, one cannot assume that translated messages actually maintain the integrity of the original message. For communication to be clear and accurate, it is important that the meaning is translated—not just the words. There are subtle nuances of language that get lost in the literal translations, not to mention the added complexity with local dialects When addressing a lower-skilled, lesser-educated employee population, it can be challenging to ensure that communications use the appropriate level of language and convey the intended meaning.

Translations can be very expensive and time consuming. Although translation agencies are a great resource with a fairly quick turnaround time, an external agency may not be intimately familiar with the organization, its business, or its culture. All of these elements play into the meaning of the intended message. Literal translations often do not capture the entire meaning of the message, leaving out the important nuances that are critical to the full meaning. For example, one of the authors was involved in the launch of a brand campaign. Translations conducted by an external vendor, though accurately translating the words, missed some subtleties that were reflective of the industry and specific to the customer interaction. This could have been a huge problem for the organization if not identified and corrected. Most organizations have a translation faux pas story to share as a result of failure to fully vet translations *before* significant communications are already being launched.

We recommend that translations, whether conducted in-house or externally, should always be followed by a back-translation. Back-translations will identify issues such as the one mentioned above.

If the language of origin is English, the subsequent translation should be independently retranslated and compared to the original English to ensure that the translation captured the intended message. If original translations are conducted by an external agency, back-translations should be conducted by an in-country employee who understands the business, the company culture, and the local culture. Also, trying to keep translations in-house can keep costs down, and participating in a translation exercise can also be a great developmental opportunity for employees to have exposure to an organizational initiative outside their immediate scope of work.

It is possible to say something multiple ways—all of which may be correct. There may be disagreements between translations and back-translations. How to reconcile and choose the more appropriate version (knowing that technically both are correct)? If the meaning is consistent, it is usually best to accept the employee translation over the translation agency as it assumes a better understanding of the organization and culture, employee buy-in to the process, and the creation of an invested employee stakeholder. Translation and retranslation take a great deal of time. There are usually back-and-forth discussions taking place in order to validate the translation. If employees are doing this, remember that they are doing so in addition to their regular jobs. Translations do take time and should be explicitly planned for in any project plan. Unfortunately, too often they are an afterthought and schedules are tight.

Given the expense of translations, how should a global organization choose which languages to translate? Some organizations provide global communication in English only and expect local management to handle translations locally if necessary. Other organizations, which have the resources, coordinate translations globally from a central location working with in-country employees or translation agencies. In a global organization there can be hundreds of languages spoken. Some organizations may have identified their standard list of languages and all communication is translated in those languages. This creates a standard and a process for communication. In other organizations, which languages are chosen will depend on the nature of the communication For example, in the case of a U.S. multinational where the official language is English, communications geared mostly toward managers will often be communicated in English.

If the communication is meant for all employees then one has to decide whether all possible languages should be covered or if there is a logical list based upon the population. For example, one author was faced with translating the Code of Conduct for the global population. Through various survey data it was determined that 12 languages covered 80% of the organization. These 12 languages became the standards used for major communication. This ignored the other 30 potential languages that were identified. The Code of Conduct was communicated in the 12 major languages and local human resources professionals were encouraged to translate locally, and share globally, if they needed an additional language. Some locations translated the Code of Conduct in their local language (Turkish and Hebrew are two examples). They shared the translated Code of Conduct with the ethics and compliance team and these additional translated documents were posted on the company intranet for other HR professionals to use for any Turkish- or Hebrew-speaking employees.

Depending upon the initiative, there may be a grander purpose than just communicating a company message. Organizational inclusion may be just as important. For employees to feel a sense of belonging and inclusion in the organization, translations become a key mechanism to build this connection. An employee engagement survey is an example of building this connection between the organization and its employees. When an organization implements an employee engagement survey, by its very nature it is requesting employee input and participation. Employees cannot participate in the process if they cannot read or understand the survey's questions because it is not written in their language. In a situation such as this, a more inclusive list of languages for translation is appropriate because the organization needs to create a sense of belonging and inclusion for every employee.

Privacy Is the Law

Working in a global organization requires an awareness of the different laws and regulations that affect employees. Employment policies are guided by local laws and statutes including unions in the United States and work councils in Europe.

In recent years, organizations now also have to address international data privacy laws including whistleblower guidelines and data transfers (EthicsPoint, 2009). In response to the growing use of technology in database management, and the concern regarding technology intruding on personal privacy, the European Union passed a broad law a decade ago that impacts cross-border transfer of personal data—including HRIS (Human Resources Information Systems) data. Data privacy laws have tremendous implications for HRIS databases and the kinds of information that organizations can collect. Data collected in European countries cannot be transferred to the United States easily. This law frustrates U.S.-based multinational organizations, the headquarters of which need to access HR data about their own European workforce. The EU data laws impose tight restrictions on transferring personal data outside of Europe, especially to the United States and other countries whose local laws do not offer EU-caliber protections. The cross-border transfer restriction is an obstacle for any organization trying to create a global HRIS.

Data privacy laws have also made some HR-specific operations more challenging. France, Belgium, Spain, Canada, Germany, Ireland, and Japan all have data privacy laws which are different from U.S. laws (Wugmeister, Retzer, & Rich, 2007). This creates conflicting parameters by which to conduct business. For example, precoding of demographic information in employee surveys becomes problematic in countries where data privacy laws prohibit capturing, and transferring, this information. In those situations, demographic information must be captured as self-report data, adding more time for the survey participant. Precoded data adds complexity when not consistently deployed. For example, ideally an organization should administer an employee survey in the same manner enterprise-wide to reduce any potential variance, or noise, in the data. However, if organizations are looking to provide some ease of use by precoding demographics, this may work in some countries and not in others. It is often required to create multiple versions of surveys and other instruments to accommodate such differences in practice, or to complicate the single version with assorted caveats regarding ‘‘do not complete this information if doing so would be considered illegal in your country.''

EU data privacy laws are being enforced with large fines and criminal penalties such as prison time for the offenders who commit unauthorized data disclosures. Compliance is key to the successful transfer of employee data. Organizations can transmit HR data cross-borders if they implement one of the six EU-approved tools such as collecting consent from employees and the safe harbor model (Dowling, 2007).

Summary

The global organization presents a set of complex challenges to the HR professional in designing, implementing, and managing global programs. The best practices and recommendations will be presented in subsequent chapters. The global organization is a reality and requires embracing a new set of operating principles to ensure success.

Globalization will be with us forever; there is no going back. Even though we may have seen some trend toward deglobalization or relocalization, the reality is that the world is now more interconnected than in any previous time. How we manage this spells the difference between success and failure.

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