Convergence - Crossvergence - Divergence

The Influence of Institutional Pressures on the Transfer of HR Practices

The case of Coulisse Inc. Miami

Master Thesis

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School of Management and Governance
University of Twente
7500 AE Enschede
The Netherlands

Author:
Justin Alink
s1020315
Dorpsstraat 152b
7468 CS Enter
The Netherlands

Supervisor Committee:
Dr. T. Bondarouk
Dr. H. J. M. Ruël

External Advisor:
L. Elbertsen-Aman

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How to gain grip on a subsidiary in Miami (Florida)
Preface

This report concerns my final thesis towards the Master of Science in Business Administration with a specialization in Human Resource Management at the University of Twente (Netherlands). The main goal of this thesis was to investigate the opportunity to transfer HR practices from a Dutch multinational, from the Netherlands to Miami (Florida). I want to make use of the opportunity to thank a number of people who supported me during the past few months.

First of all, I want to thank my two supervisors, Dr. T. Bondarouk and Dr. H. J. M. Ruël. During the last months of studying at the University, the supported me really well by giving feedback on writing my thesis. Besides these two supervisors, I would also like to thank Prof. Dr. J. K. Looise and Dr. Ir. P. Terlouw for their lectures during the first weeks of this college year in which they really helped me starting up writing my thesis. In addition, I want to thank Dr. J. K. Looise for his positive comments and feedback on my first three chapters. Of course, I also want to do gratitude the company Coulisse B.V. and in special to my external adviser Leonie Elbertsen-Aman, for helping me to find all the good information and contact me with all possible participants. Therefore, also a special thank to all who participated in my research. Without them, it would not have been possible to finalize my research and come up with conclusions and recommendations addressed to the company Coulisse B.V.. Last but not least, I want to thank my parents and sister, other family and my girlfriend, who supported me all the way.

Justin Alink

Enter, March 2013
Executive summary

Aim of the study

Transferring HR practices to subsidiaries in foreign countries is becoming popular for researchers and with the increasing importance of MNCs in the whole world economy, literature on this phenomenon has also increased. This research contributes to the existing debate on converge vs. divergence, and then more specifically to the standardization vs. localization debate in international business. The research involves a single case study carried out in the company Coulisse B.V., and identifies how the parent company and their subsidiary in Florida are interpreting and dealing with four HR practices (recruitment and selection procedures; performance management; reward and compensation; termination and retirement). Based on existing literature, this investigating contributes to the debate on transferring HR practices to overseas subsidiaries and the influence of institutional pillars, which are defined by Scott (2001) as regulatory, normative, and cultural-cognitive pressures. In order to accomplish the purpose of the study, the following research question is developed: "What are the institutional pressures that shape HR practices transfer from a Dutch multinational headquarter, to a U.S. subsidiary?". It should provide an understanding, in how HR decision making of the headquarter in the Netherlands (Europe), will influence HR practices in Florida (United States), and next if these practices therefore can be converged (standardized) or should be diverged (localized) with the foreign country, or if a mix of both is the most obvious choice (crossvergence).

Methodology

The study can be classified as a descriptive research, and is elaborating on the transferability of HR practices in which two different situations will be compared. Data is collected by conducting e-mail interviews with employees of both the headquarter and the subsidiary in Florida, followed by some personal interviews with employees at the headquarter. They are asked to interpret how the mentioned HR practices are developed and used in their establishment. It aims to gain insights in how the institutional pressures of Scott (2001) are affecting the transfer of HR practices globally. The focus is primarily on comparing both 'situations' in the Netherlands and Florida and investigate if there are conflicting pressures which have an influence on possible transfer.

Findings

Regulations concerning hiring an employee in Florida are much less-restricted than in the Netherlands. Also the whole process of selecting the right candidate differs, since in the Netherlands people expect to be treat much more neatly than in Florida. In case of poor performance and dismissal, in the Netherlands, the company should comply with regulations
while in Florida, hiring and also dismissing employees is much more easy because of so known "At-Will" contracts. The Hispanic culture has a major influence in Florida. People are tending to react sensitive while conceiving criticism, so during performance appraisal, the attitude of the employer should adapt to local standards. The differences in wages between the Netherlands and Florida are varying strongly. Standardizing would mean that the company will overcompensate employees in one of the countries or under compensate in the other. Besides, the structure of wages is differing in both locations, since in the U.S.A. (including Florida) for sales employees, the part of the compensation that is variable (not fixed) is much more higher than in European countries. Dutch employees are accustomed to secondary benefits such as business trips etc.. However, in Florida, they are not as much attracted by these types of benefits while employees over there are much more expecting to get rewarded for their performance in money. The strong culture of social security by law is much higher in the Netherlands, since the majority of employees build their supplementary pension via the employer. This in contrast with Florida where employees decide by their own whether they want to save for their retirement.

**Recommendations**

It is advised to provide the subsidiary more tools, how to recruit and select the right candidate. Therefore, Coulisse's HR manager in the Netherlands should communicate more specifically, what type of employee the company is looking for concerning norms and values. Those values can be communicated more widely within the company on for example posters, video's and/or via presentations on the coulisse.com website and via their internal intranet. Regarding performance management and reward and compensation, there are some aspects, which can be converged with the parent company in the Netherlands. This mainly is applicable for introducing SMART analysis in Florida and create an improved organized reward plan for sales employees in both locations. Since Coulisse wants to develop talent in their whole organization, implementing SMART analysis is making their employees aware of their talent and knowledge. Next, comparing needs in both locations, Coulisse should also have a look if the salary system for sales managers in both locations can have a common approach regarding minimums and maximums. They should review and coordinate this process together.

**Conclusion**

Since this research is conducted in one single company, it's hard to generalize the findings over other companies. It is emphasized that institutional pressures can have an influence on the transfer of HR practices, and therefore these pressures were the main interest in this investigation. However, more pressures or influences can also have an impact on transferring HRM to overseas subsidiaries, so it would be interesting for future research to investigate other pressures.
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Abbreviations

EU European Union
HR Human Resources
HRM Human Resource Management
HQ Headquarter
IHRM International Human Resource Management
MNC Multinational Corporation
RBV Resource Based View
SME Small and Medium Enterprise
U.S. United States
U.S.A. United States of America
1. Introduction

1.1 Background

Companies nowadays are confronted with an increasingly competitive environment. Forces like international integration of production, research and marketing, the emergence of major economic regions like the European Union (EU), and the worldwide globalization, have forced organizations and companies to invest in overseas countries to expand a competitive advantage (Myloni et al., 2004). For conducting this research, and to start from scratch, first a closer look should be established on research on human resource management (HRM) and international HRM (IHRM). A variety of research on HRM is conducted about HRM policies and practices. Huselid et al. (1997) investigated the impact of HR managers’ capabilities on HR management effectiveness. They acknowledged the fact, there isn’t a definitive agreement about defining HRM, but they are emphasizing there is a general agreement, HRM ”... involves designing and implementing a set of internally consistent policies and practices that ensure a firm’s human capital contributes to the achievement of its business objectives” (Schuler & MacMillan, 1984; Baird & Meshoulam, 1988; Jackson & Schuler, 1995: Cited in Huselid et al., 1997, p. 172). For over the last 25 years, an increase on research in HRM is arise (Guest, 1987; Lepak et al., 2006; Beugelsdijk, 2008). Lado and Wilson (1994) emphasized that human resource systems can have a contribution to sustained competitive advantage as a result of the resource-based-view (RBV), but there is a need that HR managers continuously re-examine their assumptions. They found evidence that for achieving a competitive advantage, a continuous monitoring of firm-specific competencies is necessary because these patterns are changing over time. Researchers drew the attention of strategy literature from external factors towards internal strengths as the main driver of competitive advantages, and the field of human resources gained more attention. Barney et al. (2001) elaborated this issue in their research. They found that individual HRM practices may be imitable, but on the other hand that the HRM systems and routines may be unique because these are developing over time. Next, Wright et al. (2001) also elaborated on the importance of human resources (HR) to gain competitive advantage. They found evidence that the RBV significantly and independently influenced the field of strategy and SHRM, and they proposed that both will benefit from greater levels of interaction.

Organizations were forced to manage their HRM policy in such a way, they could adapt in different countries, but they encountered difficulties. As stated in Björkman and Lervik (2007, p. 320); “... there is extensive evidence that planned transfers of HRM practices by headquarters of MNCs to foreign subsidiaries are not always successful”. They mainly refer to the research of Kostova and Roth (2002), who investigated transferability of HRM practices, and found that the level of institutionalization of the same practices in different countries is varying. They showed
that subsidiaries, who are belonging to the same multinational corporation (MNC), differ in the extent to which they implement practices. Reasons for these differences are that subsidiaries may see some practices as inefficient, and second that active adaption of these practices may be restricted if the subsidiary feels that adaption is forced because of the regulatory environment or fearing high dependence of the headquarter (HQ) (Kostova & Roth, 2002).

This research is conducted within a Dutch MNC, named Coulisse B.V. (in the following called; Coulisse), which is a company specialized in developing, improving, and selling window decorations. One of the cities they are located in, is Miami, which is in the south-east of Florida (United States). This research aims to give an answer on the question, which factors can have an influence on the transfer of HR practices, and as a follow up if these practices can be standardized or should be localized, in a way that the company gains a better ‘grip’ on their subsidiary. Where a lot of research is focused on the MNC HQs (Rosenzweig & Singh, 1991; Rosenzweig & Nohria, 1994; Mahmood, 2010), this research also focuses on the subsidiary side. Rupidara and McGraw (2011) arguing for more recognition of the role of subsidiary HR actors, in contrast to traditional investigations which acknowledge only the parent company. In the beginning of the 90s, researchers started to investigate organizations in international context in which they tried to explore how subsidiaries of MNCs could internally and externally fit each other (Rosenzweig & Singh, 1991; Rosenzweig & Nohria, 1994). Researchers also started to look at HR managers’ behavior in taking decisions and Rupidara and McGraw (2011) noted that HR managers play an important role in the process of configuring HRM systems by making ongoing adjustments in response to different complex and contradictory pressures. However, there is still a lack in theory, in how HR managers should do it right. Mainly, research is focused on what is going wrong and clear answers on how HR managers should structure decision making on transferring HR practices in their subsidiaries, are not available in great extent.

An effective system of managing human resources is predicted to lead to higher organizational performance and innovativeness, which can be seen as competitive advantage (Guest, 1997; Combs et al., 2006; Beugelsdijk, 2008). Researchers tried to elaborate on the importance of facilitating the development of competencies that are firm specific. The upswing of globalizing companies was followed by a giant increase of MNCs and HRM made a shift from being just a support function, to a function of high importance (Teagarden & von Glinow, 1997). Organizations who were operating in multiple countries became confronted with HRM differences in foreign countries. They were exploring differences in the environment of HRM, such as regulatory, cultural, and institutional factors (Schuler et al., 1993; Brewster, 1995).
1.2 Identifying research gaps

Global corporations often are confronted with how to organize their HR policy in every country they are located in (Björkman & Lervik, 2007). This issue brings forward the convergence vs. divergence debate, because the dilemma arises between HR practices and philosophies which are deeply grounded in the national culture, and HR managers of parent companies who are desiring to apply consistent HR practices across different nations (Khilji, 2011). This debate stands for the extent, in how far corporations should 'converge' their policies/practices to be the same in every country, or to 'diverge' their policies/practices according to local requirements of every country. The issue, whether nation states, economies and management practices are becoming more alike through globalization or if companies should diverge in different countries, is a debate which is popular for a couple of years now. During the last decade, e.g. Björkman and Lervik (2007), and Mayrhofer et al. (2011) investigated the transferability of HR practices. In addition on these articles, Dickmann and Müller-Camen, (2011) assumed that for organizations it probably would be easier to have convergent policies in their subsidiaries which would preserve uniformity in the whole organization and next it would also be cheaper and cost-saving because organizations do not have to design specific policies in every country. However, this hardly isn't possible, because in the case of for example remuneration and retirement, rules and law restrictions are differing per country in most of the time (Dickmann, 2010).

So, MNCs who are operating in both global and institutional contexts, have to comply with 'opposing pressures' in each foreign country and 'institutional duality' (Rosenzweig & Nohria, 1994; Kostova & Roth, 2002: Cited in Björkman & Lervik, 2007). For instance, Rosenzweig and Nohria (1994) assumed that HRM in subsidiaries is not just an integrated function, but it consists of practices with on the one hand local practices and on the other 'parent' practices. Kostova and Roth (2002) also showed, that HR practices adoption, implementation and internalization vary across foreign countries. Next, Thite et al. (2012) found evidence that there are still significant differences remaining in the way different countries are organizing business activities and their HR policies for managing employees. These differences are caused by several factors, such as cultural differences, institutional differences, and organizational differences between continents and/or countries. Björkman and Lervik (2007) are referring to earlier research on the impact of regulatory, normative and cultural-cognitive pressures. They are emphasizing the recognition of the research on HR practices in MNCs from Rosenzweig and Nohria (1994), Gooderham et al. (1999), Kostova (1999), Ferner et al. (2001), Kostova and Roth (2002), and Ferner et al. (2005). They build forward on earlier research, saying they acknowledge the importance of institutional contexts of HR practices in MNCs. Though, they tried to elaborate more on the impact of organizational factors on MNC HQs' attempts to transfer
their HR practices to overseas subsidiaries, and not on the subsidiaries itself. They are finalizing their research with the hope that their propositions will be an inspire for researchers to do more research on the transfer of HR practices within MNCs.

Susaeta and Pin (2008) investigated factors that will affect the transfer of HR policies and practices to MNCs subsidiaries. They were building forward on research that investigated the expound on policies that are transferred, by trying to explore how and why these transfers are done (both theoretical as empirical). During their research, they used a model consisting of five fundamental steps which should be followed. This framework involves the configuration of HR polices in the HQ; the decision to transfer HR policies internationally; factors that influence the negotiation process with the subsidiary; factors that determine in how far the subsidiary implements HR policies; and factors that determine the internalization by subsidiary employees. The research of Susaeta and Pin (2008) is focused on the transfer of HR policies and practices of MNCs in general, while this research investigates a particular country. However, the mentioned five phases model is a guidance in this research to give an answer on the main research question.

Summarizing, transferring HR practices to a subsidiary in a foreign country, is becoming popular for researchers and with the increasing importance of MNCs in the global economy, literature on this phenomenon has also increased (Lu & Björkman, 1997; Myloni et al., 2004; Björkman & Lervik, 2007; Susaeta & Pin, 2008; Rupidara & McGraw, 2011). This research contributes to the existing debate on converge vs. divergence, and then more specifically to the standardization vs. localization debate which is briefly described in the previous. Building forward on research of Ruël and Ghotbi (2011) on standardization and localization of HRM practices in Western MNCs in Iran; The case of Unilever, this research explicitly focuses on the United States and therefore is aiming to extend a more in-depth look on transferring HR practices. This research contributes to the debate on transferability of HR policies and practices, and which factors are influencing the possibility of this transfer process. A big amount of research is conducted on HRM in general and the convergence vs. divergence debate based on countries in the middle-east (Al-Husan & James, 2003; Budhwar et al., 2007). This research focuses on the U.S.A. and Florida, and is primarily coupled with research in other countries and other parts of the world (Bird & Beechler, 1995; Mittlacher, 2006; Pudelko & Harzing, 2007). This investigation explores which HR practices are constant and can be standardized/converged with the MNCs HQ by also looking to the subsidiary side, and which HR practices are influenced by national and organizational factors and therefore should be localized/diverged. The five phases model of Susaeta and Pin (2008) will therefore be a guidance for exploring this problem statement. Because of little research on subsidiaries in the U.S.A. (and Florida in particular) and the transfer of HR practices, this research can be interesting for Dutch (European) MNCs who
are located in this state. The investigation of influencing factors on HR practices in Florida may contribute to a wider expansion of research on the convergence vs. divergence debate and the opportunity to standardize HR policies and practices.

1.3 Research objectives

Before conducting this research, meetings were arranged with the HQ of Coulisse in Enter (parent company). Based on conversations with the HR manager, it became clear, Coulisse likes to profile their HR policy. They like to have more 'grip' on their subsidiary in Miami (Florida/U.S.A.). At the moment, they do not have an accurate view on how things work in the U.S.A. They know things are going well in their subsidiary, but for example they have no idea how people are hired in case of open vacancies. An important issue the company is confronted with, is the overall process of in, through and outflow of employees. Processes like; how are candidates selected and who is responsible for this process; how is talent management organized; how is performance management organized; and are there possibilities for a common structure of the reward plan, are unknown for the HR manager at the HQ in Enter. So, Coulisse asks to investigate how they can structure their international HR policy with regard to Miami (Florida).

Based on the problem statement of Coulisse, and based on research gaps which are established, this research identifies how subsidiaries in Florida are interpreting and dealing with different types of HR practices from the HQ. Investigating this problem should provide an understanding, in how HR decision making of the HQ in the Netherlands (Europe), will influence HR practices in Florida, and next, if these practices therefore can be standardized or should be localized by investigating it from both the HQ and the subsidiary side. Earlier work concerned, i.e. theoretical background and identified research gaps, the significance of this study is to understand more clearly how a Dutch organization with a subsidiary in the United States, should structure their HR policy in a foreign country and how they can integrate their HR practices according their own strategy. This problem statement will be investigated on the basis of the converge vs. divergence debate (standardization vs. localization debate) for companies and organizations working in a global, international level of business.

1.4 Research question

The tension that MNCs suffer in transferring their HR practices to their overseas subsidiaries is been described. Based on the problem statement of the parent company, combined with earlier research and identified research gaps, a research question can be formulated. Apparently, there is demand for a more structured HR policy in their subsidiary in the U.S.; Miami. Therefore, the convergence vs. divergence debate has been described which can be compared with the
standardization vs. localization debate. This research recommends Coulisse a more organized view, if HR practices can be transferred to the U.S., or like they say it themselves; "How can we gain more grip on our subsidiary in Miami". Taking into account the previous problem statements, research gaps and research objectives, the following research question is proposed:

"What are the institutional pressures that shape HR practices transfer from a Dutch multinational headquarter, to a U.S. subsidiary?"

To this research question should be added, this investigation involves a single case study on Coulisse, and their subsidiary in Miami (Florida). Therefore, it makes this research a company specific research. Transferring HRM strategies to foreign countries, seems to be a discussion point among academics (Myloni et al. 2004; Björkman & Lervik, 2007; Clark et al., 2012). The development of MNCs and the increasing number of globalizing companies have forced researchers to investigate whether it is possible for MNCs to dominate subsidiaries in foreign countries, so they can standardize their HR activities, or if they should adapt and localize them (Chen & Wilson, 2003; Björkman & Lervik, 2007; Clark et al., 2012). In addition, the importance of HR in an organization is proven to be very high, and Quintanilla and Ferner (2003) highlighted the transferability of HR practices to subsidiaries. They mentioned the possibilities for success or failure in transferring, in which the HQ of MNCs and their HR departments can play a fundamental role. However, there is still an existing anxiety, how to structure the process of transferring HR activities.

Susaeta and Pin (2008) took an in-depth look and developed a model which can be a guideline for organizations to construct this procedure. They conducted a process consisting of five different phases combined with five different questions for the investigation of the transfer process. During the first phase, an organization should investigate which factors are influencing the configuration of HR policies in the HQ. During the second phase, the question is which factors are influencing the decision to transfer particular HR practices. During the third phase, it’s questioned which factors are influencing the negotiation process between the HQ office in the home country and the subsidiary office in the host country, and which factors are influencing the transfer of HRM internationally. Phase four contains the question which factors determine the manner in how far the subsidiary office implements the HR policies. Finally, phase five remains the question which factors are determining the internalization of HR policies by the employees working at the subsidiary.

To answer the main research question, three sub-questions are formulated, which are based on this five phases model of Susaeta and Pin (2008):
1. **What are the most important HR practices to transfer internationally? (Phase 1 & 2)**
2. **What factors are influencing decision making in both the Netherlands and Florida? (Phase 3)**
3. **What factors are influencing the pressure and difficulty to transfer HR practices internationally, and is the subsidiary willing to apply them? (Phase 4 & 5)**

Figure 1 is showing the combination of phase one and two into sub-question one. The negotiation process in phase three contains sub-questions two as a whole. Phase four and five are also combined, and will be investigated in sub-question three.

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**1.5 Research strategy**

The research elaborates on the integration of HR practices of a Dutch MNC with a subsidiary in Florida. It contains an investigation on a single company in the Netherlands, and therefore can be described as a single case study. By conducting interviews with employees of both the parent company and the subsidiary, it aims to gain insights in how institutional pressures are affecting the transfer of HR practices globally. Therefore, this research can be classified as a descriptive research, while it is the objective ‘to portray an accurate profile of persons, events or situations’ (Robson, 2002: Cited in Saunders et al., 2009, p. 140). The organization Coulisse is chosen, while this company offers the opportunity to gain information and data from their HQ and their subsidiary in Florida. Gaining information on HRM in Florida is obtained by interviews which should give insights on the question to what extent HR practices can be transferred to Florida. The unit of analysis are HR managers and employees from the HQ in the Netherlands and from their subsidiary in Miami. Answering the main research question, should be obtained by answering the mentioned sub-questions, which are based on the five phases model of Susaeta and Pin (2008).
2. The transfer process through the lens of the institutional theory

2.1 Research framework

MNCs, and subsidiaries in foreign countries, should both find the balance in how to structure their HRM system. The model of Susaeta and Pin (2008) shows how this process can be structured when a MNC desires to investigate if transfer of HR practices is possible, in which the five phases in this research are combined with three sub-questions.

During the first two phases (combined in sub-question one), the focus is on the configuration of HRM. Configuring the HR system in an organization consist on a broader perspective for managing the workforce as a whole, instead of focusing on the individual HR policies and practices. In the following literature review, the model of Rupidara & McGraw (2011) will be described, presenting different types of isomorphism. This model indicates that MNC subsidiaries in foreign countries have to comply with several influences. Sub-question two is focusing on phase three of the transfer process, which contains the question which factors are influencing the pressure and difficulty to transfer HR practices internationally. In here, theory will be derived and developed from sub-question one. Institutional theory will be reviewed, building forward on the first two phases and the model of Rupidara and McGraw (2011). In addition, these influences will be linked with the model of DiMaggio and Powell (1991), who are combining HRM and new institutionalism with three different mechanisms. Finally, these three will be coupled with the three institutional pressures developed by Scott (2001). Based on these three pillars, this research investigates the influence of regulatory factors, normative factors, and cultural-cognitive factors, in transferring HR practices. Sub-question three (phase four and five) is elaborating on the outcomes of the transfer process. This contains the debate on converging or diverging HR practices, in combination with the standardization vs. localization debate. The model of Pudelko and Harzing (2007) will be defining the link between both debates. While this research is focusing on the transfer of HR practices to an oversea subsidiary, analyzing both debates will make clear in the end, that the mentioned combination of the concepts convergence/standardization and divergence/localization will be applicable in here. Subsequently, a third concept will be added based on the study of Ralston et al. (1993); crossvergence (integration of both convergence and divergence). These three concepts will be proposed to be the main outcomes of the transfer process, and will be the main objectives for answering sub-question three. The combination of the mentioned models and theories will be clearly explained in the following literature review and leads to the following research framework, presented in figure 2. However, first an in-depth view will be conducted on different perspectives on HRM in the U.S. versus Europe.
2.2 Perspectives on HRM

Recognizing the current literature on HRM in the United States is important before conducting research and collecting data. This study involves a single case study, focusing on the MNC 'Coulisse' which has its HQ in Europe (the Netherlands). One of their subsidiaries is located in Florida (Miami), and therefore the focus in this research is on this. However, because of the narrow and limited literature on HRM specified on Florida (or other particular states), this literature background will review towards differences between U.S. models of HRM and European HRM. With respect to previous research on this topic, the comparison between the U.S. and Europe is appropriate to apply in this context, while several authors also combined respectively European and U.S. countries (Ralson et al., 1993; Bird & Beechler, 1995; Gunnigle et al., 2002; Brewster, 2004; Pudelko & Harzing, 2007; Mahmood, 2010). These authors, all elaborated on both Europe and/or the U.S. as a whole.

2.2.1 HRM in the U.S.

According to Brewster (2004), HRM is originally conceptualized and developed in the United States of America. The concept of HRM replaced the study of personnel management, which Drucker (1989: Cited in Brewster, 2004, p. 366) characterized as "... partly a file clerk's job, partly a housekeeping job, partly a social worker's job and partly fire-fighting to head off union trouble". During the 1980s, two approaches on 'new' HRM were established. The first model emphasized...
the link between HR strategy and business strategy. The business strategy should define and determine types of employees, employee deployment and employee performance (Brewster, 2004). This model is defined as the ‘Michigan model’. The second approach is arguing that employees are not a resource like several other resources. It is dependent on what the corporate strategy is, as well as understanding and commitment of employees. This commitment was not rooted in any governance systems which declined the role of employees’ trade unions. While in the first model the business strategy had a leading role, in here it is bound in with (Brewster, 2004). This model is defined as the ‘Harvard model’. HRM developed itself in the U.S., and the role of trade unions became marginalized while the role of higher management and shareholders increased. Weakness of trade unions in the U.S. is characterized by low levels of state subsidy, support, uncertainty avoidance, and legislative control, and high levels of individualism (Brewster, 2004; 2007). E.g., temporary agency work is not explicitly regulated in the U.S. They have a common law system on labor law which resulted in a rather divergent concept of the regulation of agency work (Miltacher, 2006). While for example in the Netherlands and Germany (Europe), temporary work agencies must require licenses to set up a business, this is not regulated in the U.S. Therefore, agency workers in the U.S. are receiving little legal protection (Miltacher, 2006; Brewster, 2007). Mainly, two core assumptions on HRM in the U.S. can be derived. First, organizations in the U.S. who are offering employment, have considerable latitude regarding management of personnel which includes freedom to operate contingent pay policies and minimal influence of trade unions (Brewster, 2007). Brewster (2007, p. 770) is mentioning that according to trade union movement in the U.S., membership is currently probably less than one tenth of the working population, and its activities are predominantly site based. This attitude fits with the notion that the state should not interfere in business (or as little as possible), and that individuals should do it their selves without external influence. The second assumption, which is comparable and closely connected with the first one, is according to Brewster (2007, p. 770) "... the subject of study is the way that employing organizations manage the human beings (human resources) they deploy". The close involvement between HRM and business strategy and the connection with corporate strategy, is assuming that HRM strategies should be determined by HR experts. Thus, e.g. government support, legal constraints, and trade union influence, differs in the U.S.. The understanding of these differences is important to acknowledge, when comparing U.S. HRM with European HRM.

2.2.2 HRM in Europe
It is emphasized in Brewster (2004), the U.S. culture is significantly more individualistic and result oriented than most other countries. This is reinforced by the following (Financial Times, 1999: Cited in Brewster, 2004, p. 368); "It is an American’s birthright, if not duty, to ‘stand on his
Convergence, crossvergence, or divergence of HR practices

or her own feet’ and to start up some kind of enterprise. Certainly, when we examine the proportion of adults who are active in business start-ups, there are far more in the U.S. than in any country in Europe”. This indicates the apparent simplicity to start up a business, which in the U.S. is far more easier than in European countries which has much stronger constraints to do so. In Europe, businesses need to be controlled and employees should be threat in a responsible way (Brewster, 2007). In addition, Goodeham and Nordhaug (2010) are stating that European HRM is operating with restricted autonomy, while organizations are being constrained by culture, legislation, trade union involvement and consultative arrangements. Specifying legislation, Brewster (2004) is building on theory of Pieper (a German authority). He mentioned that the major difference between HRM in the U.S. and (Western) Europe is based on the degree of state regulations. Brewster (2004) added three aspect to this concept, which he, to a certain extent, derived from other authors. First, he elaborated on employment protection in which he used theory of Blanchard (1999: Cited in Brewster, 2004), who found significant evidence that in the U.S there is less protection for workers than in Europe (in general). This evidence is based on three dimensions; the length of the notice period given to employees, the amount of severance pay to be paid according to the nature of the separation, and the nature and complexity of the legal process involved in laying off workers. Secondly, he used numbers of the International Labour Organization (Cited in Brewster, 2004), to elaborate on legislative requirements on pay and conditions of work. He mentioned that in the U.S., employees (both male and female) are sometimes working more than 40 hours a week, while in contrast, in France (Europe) a working week by law is restricted to 35 hours a week with an overtime limit to 130 hours a year. Finally, the third aspect is with respect to legislation on employment contracts. Brewster (2004) is admitting that this aspect is varying across Europe. However, legislation on this goes beyond anything found in the U.S., since in Europe there is a limit how people should be recruited, documentation when people start working should be reported, payment of employees is fixed as well as the amount of holidays they have, the manner how the higher manager should consults with employees is settled, etc..

Summarizing both models of HRM in the U.S. and Europe. It is emphasized that European HRM is much more restricted, and that in the U.S., the focus is a lot more on the individual which is characterized by the fact, membership in trade unions is probably less than one tenth of the working population. Therefore, in conclusion it’s argued that the original concept of HRM from the U.S., is not universally applicable (including Europe). Both models will therefore have an influence on the transfer of HR practices from Europe to the U.S.. The previous has emphasized that mainly legislation has a significant impact on transfer, and Europe and the U.S. are differing in this aspect a lot, same as the attendance of trade unions. This is covered by the two of the
three institutional pressures of Scott (2001), the regulative and normative pressure. The third institutional pressure, cultural-cognitive, is more difficult to generalize all over the U.S. Therefore, this pressure can be considered as 'Florida/Miami-dependent'. An elaboration on these pressures, will be presented in the following.

2.3 Transferring HR practices

2.3.1 HRM in the home country

For transferring HR internationally, it should be emphasized that the HR system respectively should horizontally and vertically fit each other (Wright & Snell, 1998). Achieving horizontal and vertical fit, implies that organizations should repeatedly shape their HR system. This process can be described as HR configuration. Rupidara and McGraw (2011), elaborated this configuration, stating that HRM configuration can be identified as "... a rational set of policies, practices, strategic objectives and priorities that are concerned with the maintenance of a workforce" (Riley & Szivas, 2009, p. 105). Clark et al. (2012) are also portraying, it is a process which involves constantly constructing and reshaping HR policies and practices within MNCs’ subsidiaries. External and internal fit both have to purpose to reach the same, which is enable an organization to achieve its goals. So, the focus in configuring the HR system in an organization is on a broader perspective for managing the workforce as a whole, instead of focusing on the individual HR policies and practices. Configuring stands for looking more broadly at bundles of the individual practices and trying to implement them in combination with each other (Delery & Doty, 1996). Furthermore, earlier research also described that a combination of HR practices is more difficult to imitate and is more valuable, than just implementing one isolated HR practice (Boxall, 1996; Delery & Doty, 1996; Björkman & Lervik, 2007).

To elaborate more specific on configuring the HR system in combination with MNCs’ subsidiaries, the article of Rupidara and McGraw (2011) is very useful. They researched the role of actors in configuring HR systems within MNC subsidiaries. Their main interest was to develop a model in which processes of constructing and reshaping the HR system was combined with external and internal influencing factors for MNC subsidiaries. However, besides only proposing a model, in their article they argued that in configuring HR systems, organizations should also be aware of adaptations, routines, modifications, and changes to the system by people who have a significant influence on HR decisions in MNC subsidiaries, such as HR managers. Their model indicates that MNC subsidiaries in foreign countries have to comply with several influences and pressures. Analyzing the process as a whole, all relationships are connecting the HR actors within the subsidiary to different 'partners' within MNC boundaries, such as regulative institutions, local firms, HR colleagues of other MNCs, consulting firms, educational institutions and other networks. So, what is important to acknowledge, is that HR managers are linked with
different influences within the network of MNC subsidiaries. Therefore, Rupidara and McGraw (2011) are also emphasizing the important role of this HR manager in the decision making. The environment of organizations operating worldwide, is facing permanent conflicting pressures and HR managers are stuck with decisions on how to organize HR policies and practices (Björkman & Lervik, 2007). HR decisions are for instance about the 'transfer' of practices from a MNC HQ, local sourcing issues, and compromise approaches between both central (HQ) and local (subsidiary). The model is presented in figure 3.

Figure 3: HR systems configuring process within MNC subsidiary (Rupidara & McGraw, 2011, p. 182)

Acknowledged the importance of the external environment, in addition on the model of Rupidara and McGraw (2011), there is a separation between two different types of isomorphism. The first is 'competitive isomorphism', which is assuming a system of rationality (DiMaggio & Powell, 1983; Paauwe & Boselie, 2003; Rupidara & McGraw, 2011). This perspective is emphasizing that individuals’ cognitive capacities and values, are framing their decisions and actions for pursuing own interest or interest of their principals (Rupidara &
McGraw, 2011). This type of isomorphism, according to Gooderham et al. (1999), means that organizations are pursuing economic advantage through decision making and actions guided by unambiguous preferences and bounded rationality. The second perspective is 'institutional isomorphism'. This theory is assuming that decisions and actions in organizations are not only a result of the rational decision-making as described above. This theory is elaborating on the influencing social and institutional factors on decision-making (Kostova & Roth, 2002; Rupidara & McGraw, 2011). It is emphasizing the importance of the external environment in which several factors and influences can play a significant role on HR practices. Therefore, the institutional theory is most suitable to exploit for conducting this research.

2.3.2 New institutionalism and HRM

The second sub-question is characterized as phase three, considering the negotiation process which can be characterized by the transition of HR strategy from home country to host country (the negotiation process). Institutional theory in HRM has been used to uncover the wide variety of organizational phenomena including the transfer of HR strategy to MNCs subsidiaries in other countries (Björkman et al., 2008). Institutions are "... a set of rules that structure social interactions in particular ways" (Knight, 1992: Cited in Hodgsons, 2006, p. 21) e.g. training, appraisal, law, employment stability, money, communication etc. (Muller, 1999). According to Paauwe and Boselie (2003), institutional theory is about the behavior of organizations and how they response on institutional pressures such as actions of leading organizations, social expectations, and regulatory agencies.

It is been argued that organizations are facing influences by both institutional factors in the environment and isomorphic processes. There are three main constructs of isomorphism, which have an influencing role on the adaption and structuring of the process (Boon et al., 2009). The first is normative isomorphism. Specifying this process, normative isomorphism is about the development of values, beliefs, involvement, norms, and assumptions of humans and their goals (which are experienced and studied, e.g. at consulting firms and educational institutions) and how to pursue them. Second, mimetic isomorphism is when standard responses to uncertainty in the environment occur. This uncertainty is followed by movement of organizations who are tending to model themselves towards similar organizations in the field (Paauwe & Boselie, 2003, Boon et al., 2009). In that case, organizations are imitating strategies and practices of other (similar) organizations, where after they implement them in their own organization (HR department). Third, coercive isomorphism is about the influence of social partners (trade unions, work councils, etc.), labor legislation, and the government (Paauwe & Boselie, 2003). These 'parties' are able to exert pressure on organizations and force them to adopt certain policies and/or practices (DiMaggio & Powell, 1983). To illustrate the influence of all three, they
are figured in a model which demonstrates the impact of them on the strategic choices, as showed in figure 4.

Comparing both figures of DiMaggio and Powell (1991) and Rupidara & McGraw (2011), it's striking that both models are showing the same three mechanisms. However, the model of DiMaggio and Powell (1991) is focused on a particular country environment, while the model of Rupidara and McGraw (2011) is focused on influences when transferring HR strategy to subsidiaries in foreign countries.

Related to the three types of isomorphism (DiMaggio & Powell, 1983), Scott (2001: Cited in Scott, 2003) developed three institutional pressures in the institutional environment, playing a significant role in the transfer process of HR strategy from host countries to subsidiaries in foreign countries; regulatory, normative, and cultural-cognitive institutions, which are motivated by the coercive, normative and mimetic isomorphic processes. However, the degree of influence these three have, differs per organization (Björkman et al., 2008; Rupidara & McGraw, 2011). Organizations are self-standing entities and all have their own strategies, goals, values, and interests (Paauwe and Boselie, 2003). Table 1 gives an indication, of which every pillar consists of and will be the guideline for conducting the methodology part of this research. Based on these three pillars, this research elaborates on the influence of regulatory influences, normative influences, and cultural-cognitive influences, on transferring the most important HR practices to the subsidiary in the United States.
Convergence, crossvergence, or divergence of HR practices

<table>
<thead>
<tr>
<th>Basis of compliance</th>
<th>Regulative</th>
<th>Normative</th>
<th>Cultural-Cognitive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expedience</td>
<td>Social obligation</td>
<td>Taken-for-grantedness, shared understanding</td>
</tr>
<tr>
<td>Basis of order</td>
<td>Regulative rules</td>
<td>Binding expectations</td>
<td>Constitutive schema</td>
</tr>
<tr>
<td>Mechanisms</td>
<td>COERCIVE</td>
<td>NORMATIVE</td>
<td>MIMETIC</td>
</tr>
<tr>
<td>Logic</td>
<td>Instrumentality</td>
<td>Appropriateness</td>
<td>Orthodoxy</td>
</tr>
<tr>
<td>Indicators</td>
<td>Rules, laws, sanctions</td>
<td>Certification, accreditation</td>
<td>Common beliefs, shared logics of action</td>
</tr>
<tr>
<td>Basis of legitimacy</td>
<td>Legally sanctioned</td>
<td>Morally governed</td>
<td>Comprehensible, recognizable, culturally supported</td>
</tr>
</tbody>
</table>

Table 1: Three conceptions of institutions (Scott, 2001: Cited in Scott, 2003, p. 881)

2.3.3 The convergence vs. divergence debate

Companies are confronted with an increasingly competitive environment (Schuler & McMillan, 1984, Myloni et al., 2004). Forces like international integration of production, research and marketing, the emergence of major economic regions like the EU, worldwide globalization, and the growing attendance of MNCs, have brought up the debate on convergence vs. divergence. Convergence can be described as organizations who are becoming more similar. In the research of Webber (1969: Cited in Ralston 2008, p. 28), original theory on convergence is defined as "... technological influence is the catalyst that motivates individuals to develop a values system that is consistent with the technology of their society, regardless of the socio-cultural influences". Divergence is about organizations who are maintaining their culturally based dissimilarities (McGaughey & De Cieri, 1999). Webber (1969: Cited in Ralston, 2008, p. 29) defined divergence as "... socio-cultural influence is the driving force that will cause individuals from a society to retain the specific values system of the societal culture through time, regardless of other possible influences, such as technological, economic and political change". Both concepts are linked with 'new institutional theory' (Palk et al., 2011), and can be narrowed down to respectively the standardization vs. localization debate (Pudelko & Harzing, 2007).

The direction of the convergence concept can be determined by 'best practices', which indicates that there is a set of HR practices which are suitable and applicable for every organization in every country (Ker et al., 1960). This can be simplified by stating that organizations in different countries are following and adopting similar organizational structures, strategies, and process which results in the convergence of management systems (Pudelko, 2005). Best practices are considered to bring competitive advantage, so organizations are insisting to converge their HR practices globally to achieve uniformity and therefore contain
competitive advantage in several countries (McGaughey & De Cieri, 1999; Pudelko, 2005; Pudelko & Harzing, 2007). Divergence (nonconvergence) means the opposite, which is about organizations becoming dissimilar. The emphasize of this concept is in the importance of national management in the cultural and institutional context which disclaims the concept of 'best practices' in the convergence theory (Pudelko & Harzing, 2007). So, in the transfer of HR policies/practices to a subsidiary in a foreign country, divergence of HR is about recognizing the local environment and can be divided in two schools of thought. Pudelko and Harzing (2007) are naming these two as 'the culturalist' orientation and the 'the institutionalist' orientation (institutional theory). However, as described in the previous, one of the three pillars of institutional pressures (Scott, 2001) is on the cultural-cognitive pressure. So, both orientations will be combined in this research, staying focused on the three pillars of Scott (2001).

The previous theory on convergence and divergence, can be narrowed down to another debate which is mostly related to the separation between standardization vs. localization. (Pudelko & Harzing, 2007; Paik et al., 2011). According to Lu and Björkman (1997), it is argued that MNCs are facing contradictory pressures of both global integration (standardization) versus local responsiveness (localization). This results in a dilemma for MNCs in which they should make decisions on how to manage their subsidiaries in foreign countries, by taking in account principals of the host country, or to resemble the principals of the home country and the HQ office (Paik et al., 2011). Therefore, the concept of divergence can be narrowed down and related to the concept of localization. When organizations adhere to this relation, HR systems can only be successful when they adapt to the local environment of the foreign country and therefore take in account the three pillars of Scott (2001), regulative pressures, normative pressures, and cultural-cognitive pressures (Björkman & Lervik, 2007; Pudelko & Harzing, 2007; Khilji, 2011; Paik et al., 2011; Rupidara & McGraw, 2011). Next, convergence can be narrowed down and related to the concept of standardization. Pudelko and Harzing (2007) are elaborating on this standardization construct, stating that this concept is mostly understood as the standardization of MNCs' HR practices as they are developed at the MNC HQ in the home country, which is defined as the 'country-of-origin effect' as a relating factor between both concepts. Secondly, Pudelko and Harzing (2007) are mentioning another related factor between convergence and standardization. Standardized HR practices can also be shaped toward the management model, which represents global best practices. In that case, nor the home country, nor the host country is setting the standards for best practices, which is defined as the 'dominance effect'. MNCs seek to transfer their HR system to overseas subsidiaries but they will be limited in this process by institutional pressures which might force them to diverge/localize their HR system. Pudelko and Harzing (2007) summarized these relations, as showed in figure 5.
Literature and theory is presented on both debates on convergence vs. divergence, and standardization vs. localization. This research is focusing on the transfer of HR practices to an overseas subsidiary, and analyzing both debates, it seems that a combination of the concepts convergence/standardization and divergence/localization is applicable. This research is investigating the influence of institutional pressures on the transfer of HR practices in which the three pillars of Scott (2001) are the main source instead of the dissimilarity between convergence vs. standardization and divergence vs. localization. Therefore, in the following, this research will elaborate on the debate between convergence vs. divergence in which standardization vs. localization is captured. However, a third perspective should be administered. This concept is added to the existing debate by Ralston et al. (1993). Evidence that suggests that global business environment will have converging effects and that culture has diverging effects was the main source for conducting research. The findings in Ralston et al. (1993) are indicating that often times both business environment and culture are interacting with each other to create an unique set of values. Therefore, they suggested a third perspective; 'crossvergence'. This concept is also included in Ralston (2008, p. 29), who defines it as "... the combination of socio-cultural influences and business ideology influences is the driving force that precipitates the development of new and unique values systems among individuals in a society owing to the dynamic interaction of these influences". While convergence is been characterized as organizations becoming more similar, and divergence about organizations maintaining their dissimilarities, crossvergence is combination of both. These three concepts are the proposed outcomes in the transfer process of HR practices, to overseas subsidiaries.
3. Method

3.1 Research design

The transfer process of HR practices from the Netherlands (Europe) to Florida (United States of America) is theorized. The research framework which is presented in the previous, illustrates the whole process in which the three institutional pressures of Scott (2001) are proposed to be influencing factors during this transfer process. The framework outlines the objective of this research in which three sub-questions are captured. Starting with the second question, this mainly is about the middle part of the research framework in which the three institutional pressures are most important to investigate. The third question is about the outcome, in which convergence, crossvergence, and divergence are proposed to be the most important concepts. Sub-question one, overlaps the question which HR practices are mostly important to transfer internationally. Therefore, the HR manager of the HQ office which is studied in this research, is asked to propose the HR practices which the company likes to investigate in this research. Coulisse mainly is facing problems to manage their HR policy according to responsibilities on recruitment and selection and how performance management is organized. In addition they also liked to integrate the outflow of employees. A list is conducted on HR practices that will be investigated, to explore in how far they can be transferred to the subsidiary in Florida. These HR practices are; recruitment and selection procedures, performance management, reward and compensation, and finally termination and retirement.

This investigation can be classified as a descriptive research. According Robson (2002: Cited in Saunders et al., 2009, p. 140) the objective of descriptive research is ‘to portray an accurate profile of persons, events or situations’, in which this research is portraying situations. This means that the research is elaborating on the transferability of HR practices in which two different situations will be compared. To create a better understanding on the convergence vs. divergence debate in relation to differences between the Netherlands (Europe) and Florida (U.S.), this research contains a single case study which elaborates on the integration of HR practices of a Dutch MNC with one of their subsidiaries in Florida. It contains an investigation on a single company in the Netherlands. By conducting interviews with employees of both the parent company and the subsidiary, it aims to gain insights in how institutional pressures are affecting the transfer of HR practices globally. The focus is primarily on comparing both 'situations' in the Netherlands and Florida and investigate if there are conflicting pressures which can influence possible transfer. By using a single case study, this research limits the generalizability while it is a company specific research. However, it contributes to a better understanding of the transfer process from Europe to the United States.
3.2 Florida; "The Sunshine State"

Florida is in the south-east of the U.S. The name comes from the Spanish word 'La Florida' (orange blossom). The common language in this state is English and Spanish. In 2012, Florida has about 19 million citizens and is the fourth most populous state in the country. The capital of Florida is Tallahassee, and the city with the most inhabitants is Jacksonville (about 780,000). The financial centre of the state is Miami, which is a city with a strong international identity. The city represents a clear hotspot of human and economic coastal flood exposure and with more than 5 million inhabitants in the metropolitan area, it is still growing (Genovese et al., 2011). In a couple of years, Miami, found itself as the place where North meets South, and a place where international firms liked to locate themselves to do business in the Central and the South of America and the Caribbean (Rohe, 2011). Some large companies located their HQ in the state during the previous years, as Bacardi, Burger King, CompUSA, U.S. Century Bank and the World Fuel Services, Microsoft, Oracle, Disney and AIG. As stated in Rohe (2011), Miami’s importance lies in its relational capacity and its ability to connect business flows. Next, also tourism is an important source of income. Every year, about 12 million tourists are visiting the city and together they spend among 17 milliard dollar. In the following table, some key facts about Florida (August, 2012) are presented to give a short indication of 'The Sunshine State'.

<table>
<thead>
<tr>
<th>Name</th>
<th>Florida, State of Florida</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locality</td>
<td>South-East of United States</td>
</tr>
<tr>
<td>Admitted to United States</td>
<td>March 3, 1845 (27th state)</td>
</tr>
<tr>
<td>Number of counties</td>
<td>67</td>
</tr>
<tr>
<td>Total population</td>
<td>19,057,542 (2012 est.)</td>
</tr>
<tr>
<td>Age structure</td>
<td>0-17 (21,3%), 18-24 (9,3%), 25-44 (25,1%), 45-64 (27%), 65-older (17,3%)</td>
</tr>
<tr>
<td>Capital</td>
<td>Tallahassee</td>
</tr>
<tr>
<td>Main language</td>
<td>English, Spanish (second language)</td>
</tr>
<tr>
<td>Major industries</td>
<td>Tourism, agriculture, electronics</td>
</tr>
<tr>
<td>Labor force by occupation</td>
<td>Agriculture (28,9%), Education and Health Service (21,3%), Industry (17,5%), Business Services (15,4%), Other (16,9%)</td>
</tr>
<tr>
<td>Labor force</td>
<td>9,354,000</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>9,3%</td>
</tr>
<tr>
<td>Average annual wage</td>
<td>$41,574</td>
</tr>
</tbody>
</table>

Table 2: Facts about Florida (Source; DEO Florida Department of Economic Opportunity. August, 17, 2012)
3.3 Case selection; Coulisse B.V.

The organization Coulisse is chosen, while this company offers the opportunity to gain information and data from their HQ in the Netherlands and their subsidiary in Florida. "Window decoration is more than just a product. It is an extension of style and an expression of individuality". With this vision, Coulisse B.V. (before CTR Trading B.V.) has grown since the foundation in 1992, to a worldwide leading supplier of window decoration in both ready-made products for construction markets, and specific elements for the assembler and wholesale in customization. The company is founded by Mr. Christiaan Roetgering, who is also director of the company together with his brother Mr. Maurice Roetgering. Coulisse offers his customer a full range of products, from wood blinds to roller blinds and vertical blinds to pleated blinds. It is a company with their HQ in Enter. There are also six other locations, Coulisse is located; Russia, Miami, Shanghai, Warschau, Guangzhou, and Dubai. Through a continuing focus on innovation, creativity and a flexible approach, Coulisse is able to deploy new trends, and to respond on specific applications of their customers. The production of developed products, takes place all over the world but mostly in the far east. Worldwide, Coulisse has about hundred twenty employees. Ninety five of them are operating in Enter. The companies' mission is to be an advanced, reliable and committed window decoration company for its customers, partners and employees. Coulisse is trying to realize this, by expanding the number of markets and customers, and optimize current markets and customers through focused innovation, thinking along with customers about marketing, concept and design, and being a hard competitor for others.

The intercommunication in the company can be described as 'open'. The HQ office consists of four floors, but there aren't any closed boxes. Employees are working next to each other on big desks which realizes a positive working environment. This 'open' attitude is very important for Coulisse. Therefore, the company also arrange company trips for employees. In the past, they for example went to Greece, Ibiza, Morocco, and Ischgl as a sort of teambuilding and to complement employees for all the work. The pleasant working environment and the 'open' relation between employees contributes to the internal communication and from that point of view also to the communication with customers. This is where Coulisse stands for and they want to represent themselves in the same way all over the world.

Coulisse Miami:

Since a few years, Coulisse has been active in the North and South of America. To optimize their service towards their partners and to expand their market, they set up a new subsidiary in Miami (Florida); Coulisse Inc.. In April 2011, when only some companies in the state(s) were common with Coulisse, the subsidiary was created with one single employee. Per 1 July, Jerome Gackel (originally from France) is responsible for the development of the markets in North and
South America as CEO of Coulisse Inc. Under his supervision, the subsidiary is serving and developing a rapidly growing market. From the office in Miami, they are able to be closer with current partners in the region, which allows them to optimize service to them. At this moment, Coulisse Inc. has four employees but the expectation is that in the near future, this number will definitely grow. The establishment of Coulisse Inc. perfectly fits into the expansion strategy, Coulisse drew up a couple of years ago, aiming at becoming known across the world as a leading supplier of innovative and trendsetting window decoration. With the step to open a subsidiary in Miami, Coulisse expects to make great progress in reaching this status.

### 3.4 Data collection

Data on HRM in the Netherlands and Florida is collected through interviews which should give insights on the question to what extent HR policies and practices can be transferred to Florida. The unit of analysis are HR managers and employees from the HQ in the Netherlands and from their subsidiary in Miami. Answers on the main research question, should be obtained by answering the mentioned sub-questions. These sub-questions are based on the five phases model of Susaeta and Pin (2008). For over the last two decades, several interview techniques are being investigated. According Opdenakker (2006), due to an explosive growth communication forms, several new techniques are appropriate to use e.g. e-mail contact and chat boxes. Opdenakker (2006) reviewed four different types of interviews, applicable for qualitative research; face-to-face interviews, telephone interviews, MSN interviews, and e-mail interviews. In his conclusion, he emphasized, nowadays all four are effective interview-formats for gaining information, and he finalized with the advantages and disadvantages of all four. In his review, about conducting interviews via e-mail, the author is mentioning what is comparable with this research. Because of the distance between the Netherlands and Florida, and the content of interview questions which are asked, it is considered hardly possible for respondents to answer quickly and adequate. The issue of convergence, crossvergence and divergence and the influence of institutional pressures on the transfer of HR practices, is a subject, not everyone is common with. Therefore, participants suggested to send interview-questions via e-mail so they can take the time they need for answering. This is in line with Opdenakker (2006), while he prefers e-mail interviews in this situation. In his article he states that using e-mail interviews for collecting information is preferred, when "... it is necessary that the interviewee takes time to respond to the developing dialogue". Since respondents' positions were varying, they were divided into three groups: HR manager in both the Netherlands and the CEO Coulisse Inc. Miami (also responsible for HR in Florida); Business Development Manager who is born in the Netherlands and worked for Coulisse in the Netherlands and nowadays is working for Coulisse in Florida; and two other employees working for Coulisse in both the Netherlands and Florida. An introduction letter is
send to all respondents, in which the aim of the research is presented and what is expected from them (see appendix 1). Four all three groups, different interview formats are conducted, based on the four HR practices (see appendix 2). HR managers are mainly asked about institutional pressures in their country and what their expectations of each other are. The Business Development Manager who worked in the Netherlands before, and nowadays is working in Florida, is mainly asked about remarkable differences between the two, still focusing on the three institutional pillars this research is focusing on. The other two employees are both working in the Netherlands. However, one of the two is focusing particularly on the business in the U.S. and Florida (Miami) in specific. The other participant is Financial Controller of Coulisse. She is working for the company since the very beginning and through the years, she became very familiar with all the processes which also counts for processes aimed at HRM. Both these employees are asked to describe how they experience the HR practices which are investigated in this research. In total, five interview questionnaires have been send via e-mail. A deadline of two weeks after receiving was set for sending back the questionnaire. From all five, a useful document was received. However, as discussed with the company, some follow up conversations with the employees in the Netherlands, have been conducted at the HQ office in Enter to ask some follow up questions. These conversations gave the opportunity to ask some in-depth questions concerning particular aspects which were mentioned by participants. Regarding the two employees in Florida, only e-mail contact have been conducted. This was preferred by themselves but also by the directors of the company, while it was difficult to arrange a meeting face to face or via telephone. So, for them, a new document with some follow-up questions was send via e-mail. Both employees reacted positively and gave new input. In table 3 below, an overview is presented on how data collection was structured.

<table>
<thead>
<tr>
<th></th>
<th>Netherlands</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail interviews</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Personal interviews as follow up of e-mail interviews</td>
<td>2 (about 1 hour per participant)</td>
<td>0</td>
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</tbody>
</table>

*Table 3: Table with participants in both the Netherlands and United States*

### 3.5 Data analysis

The dialogues with employees working in Florida were conducted in English. Dialogues with employees working in the Netherlands were conducted in the language preferred by the respondent. In conclusion, two interviews were conducted in the Dutch language, so afterwards these have been translated in English. It took three weeks to analyze all interviews and find relations and differences between answers. To identify pressures in both the Netherlands and Florida, the institutional pressures developed by Scott (2001) were used;
Regulative pressures: What sort of governmental laws and rules are influencing decision-making? It reflects existing laws and rules by the government or other regulatory bodies.

Normative pressures: What are the expectations of the general public? How should both the company and the employee deal with "what is normal, and what is expected"? It is assuming that people should behave according norms and values of actors.

Cultural-cognitive pressures: Representing what is desirable by (potential) employees and conform to employees cultural expectations in the organizational environment. What are specific characteristics, and how do employees want to be treated?

Analyzing the data involved a process of summarizing and categorizing data collected from the interviews. Identifying if HR practices in Florida can be converged with the Netherlands, or if they should be diverged, is done by comparing answers on the same questions from both locations. Therefore, respondents are asked to interpret how the mentioned HR practices are developed and used in their establishment. Also, data of the employee who worked at both locations was important to identify potential differences. Next, the answer on questions about the different HR practices are separated in three categories, which are proposed to be the main outcomes of this research; convergence; crossvergence; and divergence (Björkman & Lervik, 2007; Pudelko & Harzing, 2007; Ralston, 1993, 2008). Transcripts of all interviews are attached (see appendix 3).

3.6 Trustworthiness of data

Evidence for this study is derived from a single case study in a Dutch MNC, with several subsidiaries all over the world. According Edwards et al. (2007) a case study can be criticized while results of such a study are difficult to generalize over other organizations. Nevertheless, the results can be generalized to theoretical propositions which indicates that the results can have a significant contribution on research about the topic. To define the reliability of this study, it must be emphasized it encompass interviews, which means that participants can all have their own views and opinions on the different topics. Reliability refers to "the absence of random error, enabling subsequent researchers to arrive at the same insights if they conduct the study along the same steps again" (Gibbert et al., 2008). While not all participants have HR background, it is hard to define how valuable the information is. However, while all the participants are working for the same company and some 'pressure' is put from the board of the organization to answer questions as serious possible, the results of this study can be considered reliable. Based on the findings and input, the company Coulisse has been given a thorough advice. All findings, results and the advice is approved by the companies’ HR manager. In addition, the company has indicated to be fully satisfied with the results of this study (see appendix 4).
4. Case study

An elaboration on the interviews will be presented in this section. These results should finally lead to an answer, if the proposed HR practices in Coulisse’s subsidiary in Miami can be converged, crossverged, or should be diverged with the HQ in the Netherlands. This will be discussed in the next chapter which concerns the discussion sector. In the following, results are presented and quotes are stated on how two of the five participants reacted on structuring and standardizing or localizing the proposed HR practices. These two are the HR director in the Netherlands and the CEO of Coulisse Inc. Miami who is also responsible for HRM.

4.2 HRM in the Netherlands

In here, the studied HR practices recruitment and selection procedures, performance management, reward and compensation and termination and retirement will be described according HRM standards in the Netherlands. Each practice will finalize with a conclusion on how participant 1 in this investigation, would like to structure the particular practice.

4.2.1 Recruitment and selection procedures

Recruiting new employees for Coulisse in the Netherlands is done by several ways. They are using information ‘banners’ which are attached on their buildings. The HQ is situated next to the highway A1, where many potential candidates are driving. Also, their own employees are used to recruit new employees by give them the opportunity to use their social media. They do this with the support of the program RecruiT from Mobillion. If an employee has provide the right candidate, they do get a reward of 250 euro once the candidate arrives at their permanent staff. In addition, Coulisse is using recruitment and selection agencies to support by finding new employees, and usually they advertise in the local newspaper and occasionally in a national newspaper. The history proved that recruiting via these mediums, has been most successful. When a candidate is invited for an interview, the first meeting is with the HR department and the relevant supervisor. Then, a second interview follows with the HR department and in most of the cases the management. A candidate always receives a neat acknowledgment, an invitation or rejection, a confirmation/telephone call with the address data etc.. Concerning the culture of Dutch people, they preferring to be treated neatly and the employer should create clarity on how the selection process is organized. After the last meeting, a possible contract will be drawn up and submitted in two copies for signature. The candidate is also receiving a personnel company map with details, and ins and outs of the company Coulisse. While Coulisse is adding much value to openness, honesty and transparency, and this vision should be characteristic at all their locations all around the world, potential employees should fit the companies’ culture. In addition, he/she should be educated well which should fit with the job requirements. In the Netherlands, Coulisse should always have to deal with termination periods of potential
employees. If they have found a suitable candidate and that person may start within one or two months, then they will go for it. Within the Netherlands there are already many different cultures, mentalities in the West of the country are very different than in the east. The candidate must be a sober, hard working person, with no imagination and not with a nine to five mentality. Concerning recruitment and selection in Florida, participant 1 gave the following conclusion:

“When they are recruiting and selecting employees in Miami, these candidates should be people who fit at Coulisse. He or she must be honest, reliable, hard working, and loyal. I also think it is important that the entire recruitment and selection process is progressing professionally. Candidates should receive a neat message back on time, and a telephone call with a written confirmation. The process should go smoothly, and according to me in line with how we deal with this process in the Netherlands”.

Participant 1

4.2.2 Performance management

The performance of employees is officially discussed per every half year. In June, the HR department keeps performance appraisals and in December they keep the assessment interviews. In between both meetings, there are several talks to track the progress of employees. There are also meetings with employees with a probation contract, and there are also meetings which may be requested by the employees themselves. This process is also desired by employees in the Netherlands since Coulisse also tries to carry out an open vision with respect to his employees. Performance management in the Netherlands is organized in such a way, that Coulisse is making use of forms with standard issues. Per employee, several issues and competencies are being discussed and finally, the employee is receiving a review. If desired, a SMART-analysis is started which stands for Specific, Measurable, Acceptable, Realistic, and Time bounded. With this, Coulisse Netherlands is aiming to gain insights in talent, in what employees want to achieve and it also directs the behavior of them. Moreover, the results give an indication when targets should be achieved. The aim of formulate SMART is to achieve that employees really are bringing their ambitions into practice. This methodology works perfect. However, when an employee is operating well, the standard forms are to extensive. The management and sales employees are working with templates and targets, in which goals are stated which they must realize. Once a month, the status is discussed and in each quarter of the year, it is examined what is, and what is not achieved. A limitation concerning performance management, is that in case of poor results of an employee, he or she cannot just be dismissed by the company. Coulisse Netherlands need to keep certain rules and they have to comply with for example the dismissal road via the UWV (a Dutch government agency responsible for performing the employee
insurance) or via the district court. Concerning performance management in Florida, participant 1 gave the following conclusion:

"Personally, it is desirable that the functioning and assessment of employees in Florida, would be the same as in the Netherlands. I would prefer to regularly perform this process, to positively stimulate performance of employees so that they are developing and also are being satisfied working for our company. I would like employees, to care about the business and feel connected. So, that they are not only fascinated by for example their salary. Besides, I would like to see if there are opportunities for an implementation of a standard performance and assessment cycle in combination with a bonus structure for sales employees. I would also like to see more similarities between the development of talents in both Miami and the Netherlands".

Participant 1

4.2.3 Reward and compensation

Coulisse has a reward house classified in scales. This is coupled with salaries from a minimum to a maximum. These scales have an additional bonus structure depending on employees' own results and profits. The higher educated, the better one works, and the longer the person works at Coulisse, the more that is paid up to the maximum of the scale. Next, important aspects concerning reward and compensation in the Netherlands are the results, commitment, and (partly) training. These aspects are important for determining the wage. In the Netherlands, there are statutory minimum wages. Wages at Coulisse Netherlands are well above the minimum. Scales have a starting and final salary. For proper operation, you can create one or more steps. The starting point is a step, however, exceptions may be made. In less good performance, it is possible that you do not make any steps. A step can be coupled with a factor (dependent on good or poor results). Since functions are divided into scales, an employee who is employed for a long time or a certain age will be higher in the scale than a "beginner". Sales employees are expecting a bonus system. If the company wants to stimulate sales employees in the Netherlands, you need to have an attractive bonus system. In case you have not, they are looking for an employer who does. In this you can say, Dutch employees are quite spoiled and accustomed to secondary benefits. Employees in the Netherlands are stimulated by extra's such as an allowance for additional healthcare, attractive business trips with the company as teambuilding abroad, participating in sporting events where clothing is sponsored by the company, attractive buying of company products etc.. Obviously, Dutch employees are expecting that they are timely paid. If employers do not do this, there are many associations, where the employee can go. Employees also expect that during the years, they can grow in both their
personal development as well with regards to their salary. Concerning reward and compensation in Florida, participant 1 gave the following conclusion:

"There are a couple of things, I would like to investigate for Coulisse Inc. Miami. First, concerning reward and compensation, I would like to find out if a similar salary system as in the Netherlands is possible. Then, I would find it desirable that the remuneration of employees in Miami is in line with that of Coulisse Netherlands (of course with American standards). Employees may be given certain goals and in my opinion a bonus structure may be linked to these goals (especially for the sales employees)."

Participant 1

4.2.4 Termination and retirement

For employees with a fixed-term contract, the contract is legally off. If Coulisse wish to stop in an earlier stadium, they must observe the statutory notice period. Also for contracts of indefinite duration, Coulisse has to follow the law. Depending on the age of the person, a termination compensation can be paid. This may be mutually arranged but can also be arranged through the district court. For this last road, Coulisse is rather not choosing because this takes much time and energy. Since 2009, Coulisse has a new pension scheme. A working group (consisting of colleagues) is accompanied by a pension adviser, and discussed the pension matter. So, what is possible and what do we need? The needs of employees have been linked to the needs of Coulisse. They have come to the conclusion that Coulisse would like to have a distribution agreement (instead of the then existing defined contribution scheme). Employees in this scheme are paying a contribution of 7% of pensionable salary since 2009. According to the retirement code, companies (so also Coulisse Netherlands) should treat similar groups of employees equitably and you may not distinguish. Therefore, Coulisse has split their workforce into groups: employees employed before 01-01-2009 and employees employed after 01-01-2009. The rules of the code must be strictly adhered, otherwise the company has the chance that later they encounter problems with their employees. New employees must be reported by the pension insurer within one month after being employed. It is also important they know that, Coulisse as an employer has a duty towards their employees. They need to inform employees in advance. Each employee in the Netherlands receives a pension which is offered by Coulisse. Within a month after being recruited, employees are been given a presentation of the pension regulation. This is legally defined. Employees get handouts along afterwards and they sign a release so they can always prove that the presentation is given. After almost two years of service, a second presentation will be held in which the company pay attention to the transition from the gateway system to the base rules. Also in this, the company is receiving a signed copy of the handouts. Concerning termination and retirement in Florida, participant 1 gave the following conclusion:
Concerning termination and retirement, I think this process is too complicated to standardize. However, I am interested to investigate how this is organized at our subsidiary in Florida.

Participant 1

4.3 HRM in Florida (Miami)

This section includes the studied HR practices recruitment and selection procedures, performance management, reward and compensation and termination and retirement, according HRM standards in Florida (Miami). Each practice will finalize with a conclusion on how participant 2 in this investigation, would like to structure the particular practice.

4.3.1 Recruitment and selection procedures

At the time, nobody was familiar with Coulisse in the U.S.A., in order to attract potential employees, they searched in personal networks to see who has the competences, skills and attitude to fill in open positions. In case the company and the candidate are reaching consensus, there is an opportunity, traveling to the Netherlands to see if the candidate would like to work with Coulisse in terms of size, culture and values. It should be noticed, this depends on the sort of function, the candidate is applying for. Applicants for higher functions are interviewed by higher and direct managers who are working in the Netherlands. The process for lower functions is shorter. In the U.S.A. (also Florida) there are key non-discrimination laws. As a consequence, there is several information that you cannot ask to a candidate. For example, you cannot ask the age of a candidate (candidates also do not mention their age on their resume/Curriculum Vitae). After almost two years of existence, Coulisse Inc. starts to be known from the professionals in the industry. Nowadays, time to time, Coulisse Inc. Miami receives some requests from potential candidates looking for new jobs through LinkedIn. Hiring of employees is regulated less strictly. In the U.S., hiring an employee is less of a commitment, and it is easier to let-go people as well. In the Netherlands most usually employees are offered temporarily contracts, while that is not an issue in Miami, because by law, the employee isn’t protected against getting fired. When recruiting and selecting employees, in the Miami market, employees are much more versatile/mobile and looking for new opportunities. Employees do not stay in the same company for many years as the economy in the city is growing in a strong path with a lot of investments from Latin America. Second, the employment contract is an “At-Will” based contract for the most common positions. This means, as a consequence, that the company or the employee can stop the contract without a termination period. Concerning the selection of employees, the candidate should have experience and knowledge in the industry. Next, the candidates’ personal values/ambitions, skills and competences will be reflected; will it fit with Coulisses’ values and growth? Finally, does the candidate speak Spanish? This is a must in Miami. It is easier to really understand the personality of an interviewee if you can chat in the
Convergence, crossvergence, or divergence of HR practices

Concerning recruitment and selection in Florida, participant 2 gave the following conclusion:

"What I would like to define, is what the decisions are that can be taken locally and what decisions have to be done by the HQ (and also by who in the HQ) during the recruitment and selection process. Next, I would also like to see the company provides tools/knowledge to ensure that the potential candidate will fit Coulisse's values and culture. However, considering differences between Miami and the Netherlands, concerning recruitment and selection procedures to be standardized, I do not think this is entirely possible. It is a complete different practice in both countries. Both locations should organize separately, but can learn from each other's expertise. Functions that can be shared, but which are not shared at this moment, are the advertisements/publications of vacant positions and publishing these on the Coulisse.com website".

Participant 2

4.3.2 Performance management

There is a monthly review where each sales employee (there are two) is standing regarding his actual numbers and the budget/target numbers and were they together are discussing what happened positive and negative. If there is a risk that the target numbers will not be reached the following month, a specific action plan will be set up. Such a monthly review is also expected by the workforce and job-candidates while performance is a very important aspect in the U.S. Sales employees have a bonus structure based on objectives (common objective to Coulisse Inc. Miami and personal objectives). These will be reviewed once a year. The U.S. job market is much more competitive and excellent performance is reward excellent packages. Poor performers usually are let go in a much earlier stage than in the Netherlands. Of course this can be different amount different companies as well as in the Netherlands. The Hispanic culture is very strong in Miami. It is remarkable that Hispanic employees are tending to be more sensitive while conceiving criticism. Hispanic people are interpreting criticism as a sort of attack on themselves instead of a remark on their work performance. This sometimes can be difficult, also because the Hispanic culture is accompanied by another type of view on urgency than for example the Dutch culture. They are tending to deliver quality, and this sometimes is more important for them, then deliver on time. In Florida performance is more paid by a bonus as in other countries. Comparing the U.S. to the Netherlands, the performance management in the U.S. is much more based on "facts" of employees' performance and this performance has more consequences (a good functioning employee can make progress fast and a less functioning employee is fired more easily). In the U.S.A. (including Miami), for sales employees, the part of the compensation that is variable (not fixed) is much more higher than in European countries. In the U.S.A., employees expect to get
rewarded for their performances. Concerning performance management in Florida, participant 2 gave the following conclusion:

"How I would like to structure the process of performance management? Well, how can we have a common approach (Enter/Miami) to link the compensation (salary increase, bonuses, etc.) with the performance of the employee. However, this should be discussed very well, since in Miami performance is proposed to be more important than in the Netherlands as far as I know. Therefore, I think performance management should be organized different, because it is impossible to know the job market in a specific region in a specific country. Next, how can we detect potential talent of an employee in order to make them grow and develop within the company".

Participant 2

4.3.3 Reward and compensation
Concerning reward and compensation at Coulisse Inc. Miami, there is a hourly minimum salary. The difference between the minimum and medium salary is extreme. This means it is possible to hire extremely cheap unskilled employees. Employees with skills/experience however are generally spoken more expensive compared to the Netherlands. In the U.S. a smaller percentage of the population is schooled on a Bachelor or University (Master) level. In case there are more than five employees working, the company have to provide a medical insurance according governmental laws. Potential candidates are expecting a compensation such as a bonus. Concerning reward and compensation in Florida, participant 2 gave the following conclusion:

"I think the process of reward and compensation should be localized, as both locations are not comparable in terms of job market. Standardizing would mean that you overcompensate employees in one of the countries or under compensate employees in the other country. By organizing it separately, an optimum can be reached for both countries. I am aware, it will be very difficult for a Dutch HR manager to judge about a correct reward plan for an employee working in Florida, as a Dutch HR manager may not be aware of the current situation over here. A non-local HR manager will not know what is necessary to keep the local employee satisfied OR will spend too much resources, while this would not have been necessary after all. However, in line with performance management, I would like to see more guidelines for us in Miami, for example in terms of salary increase".

Participant 2

4.3.4 Termination and retirement
The process of termination and retirement in Miami is important to mention. Employees have a so known "At-Will" contract, which means they can be terminated without any termination period at anytime. They can also leave the company at anytime without a termination period. In
Miami it is possible to cancel an agreement on a short term, while the legal process in the Netherlands is much more difficult and expensive. The job market in Miami is more hire-and-fire. The protection by law is abundant, however companies can distinguish themselves, by having higher ethical values than the law describes. This can lead to employee loyalty. Concerning governmental laws and rules regarding termination and retirement, Coulisse Inc. Miami should apply the employee contracts without making a breach. In the U.S.A., legally what counts is "what is written" and not "what the parties were intended to do". In the U.S., considering rules on termination in the Netherlands, there are no large scale pension funds, so employees have to take care of their own retirement. If they don't, they might end-up working old, because of a low level of social security by the government. Most companies do not have to comply with policies of labor unions. Concerning termination and retirement in Florida, participant 2 gave the following conclusion:

"May be, I would like to structure the process of termination and retirement. However, first I have to know how the current process is organized and structured in the Netherlands, and I do not know yet".

Participant 2

Below a conclusion of both participant 1 and participant 2 is stated, on their view on transferring the proposed HR practices and structuring HRM in general.

"I like to have a better organized and structured HRM policy with regards to Miami. I also think, on most parts, this should be possible. However, I am aware of law and regulation and a different culture, so these aspects are definitely something which we have to deal with (in each country)".

Participant 1

"I can say that I think we should have a more common policy at Coulisse between HQ and Miami. With this I refer in terms of performance management, performance reward, annual interview for performance assessment, and identify and develop talent. I think that we should make a specific focus during the hiring process that the potential candidate will fit with Coulisse's values and culture. Those values should be communicated more widely within the company (e.g. posters, video's and/or presentations to explain those values and why these are important for Coulisse)".

Participant 2
5. Discussion

5.1 Integration of HR practices

With this research, it was the aim to identify how institutional pressures are affecting HR practices in both the Netherlands and Florida. Based on the problem statement of the parent company, a research question was formulated; "What are the institutional pressures that shape HR practices transfer from a Dutch multinational headquarter, to a U.S. subsidiary?". The convergence vs. divergence debate has been described and a third perspective, crossvergence, is added. The research recommends Coulisse on the opportunity to transfer HR practices to the U.S., or like they say it themselves on the question; "How can we gain more grip on our subsidiary in Miami?". To answer the research question, three sub-questions were formulated which should assist to give a more specific answer on the main question. In the following, answers on these three sub-questions will be presented and analyzed. In the subsequently paragraph, an answer will be given on the main research question.

1. **What are the most important HR practices to transfer internationally?**

The first part of the research framework, concerns the question, which HR practices are most important for the HQ of Coulisse to transfer, to finally investigate in how far they can be converged (standardized). Since Coulisse was facing a growing market in the United States, they opened a new subsidiary in Florida, in Miami. From the beginning in 2011, Coulisse’s HQ in Enter was not that much involved and the subsidiary was operating their own way. The company contracted an employee who became CEO Coulisse Inc. Miami and he also became responsible for the way of working according local standards. However, at this moment, since Coulisse’s subsidiary in Miami is existing for about one and a half year, the HR manager of the parent company asked herself why things are going as they are going in Miami. Therefore, she asked to investigate several HR practices. The practices which were most important to investigate were recruitment and selection procedures, performance management, reward and compensation, and termination and retirement. Based on conversations with the HR manager of Coulisse, these four are selected for investigation, while these four are considered most important. Recruitment and selection procedures are important since Coulisse like to have more grip on how employees are being selected. For Coulisse it is important that all over the world, their norms and values are being maintained. This brings forward, a new employee should fit the company which counts for both the Netherlands as well as Miami. So, Coulisse like to see how Coulisse Inc. Miami is recruiting and selecting their employees and if there are possibilities to standardize procedures with the HQ in the Netherlands. Closely linked with the recruitment and selection process, is the process of termination and retirement. Coulisse Netherlands is aware of
different law and regulation in the U.S., and they like to have this investigated. Where does Coulisse Inc. Miami have to comply with, concerning termination and retirement and how may Coulisse Netherlands put any pressure on this process. Or, is it more rational to stay away of interference, and localize this process? Performance management is another HR practice, that Coulisse Netherlands liked to examine, since at the HQ they are interested in how performance management in Miami is regulated and how employees’ expectations are being considered. This also counts for a follow up on performance management, reward and compensation, which is the fourth HR practice. In the Netherlands they have introduced a new reward system since a couple of months now. At this moment, they do not know whether this system entirely works. So, maybe they can learn from each other and maybe, there are opportunities to standardize companies’ regulations on performance management.

2. What factors are influencing decision making in both the Netherlands and Florida?

The second sub-question is identified with the second part of the research framework, and concerns the question, which factors are influencing decision making on HR practices in both the Netherlands and Florida. Chapter two of this research contained a literature research and elaborated on the three institutional pressures of Scott (2001) as influencing factors on transferring HRM to subsidiaries. Therefore, these three pressures are investigated during the conducted interviews with employees in both the Netherlands and Miami. The afore mentioned HR practices and the influencing pressures will be presented in the following.

First, regulatory pressures concerning the four HR practices are investigated. These regulative pressures are representing what sort of governmental laws and rules are influencing decision-making. It reflects existing laws and rules by the government or other regulatory bodies. Regarding regulatory pressures in the Netherlands, it is remarkable that attracting and hiring new employees is much more complicated than in Miami. When recruiting and/or selecting a new employee who is working elsewhere, in the Netherlands a company should always have to comply with the termination period. Strict regulation also counts for performance management in which the law limits a company to dismiss an employee easily. In case of poor results of an employee, he or she cannot be fired by the company directly, but the company need to keep certain rules and they have to comply with the dismissal road via the UWV (a Dutch government agency responsible for performing the employee insurance) or via the district court. Also for termination and retirement, the regulatory pressures are having a strong influence. For employees with a fixed-term contract, the contract is legally off. However, if the company wants to end the contract in an earlier stadium, they must observe the statutory notice period. Companies in the Netherlands should treat similar groups of employees in an organization
Convergence, crossvergence, or divergence of HR practices

Equitably. This means, a company may not distinguish between groups. During application procedures and during work there may not be any discrimination. Companies should strictly adhere these rules, otherwise the company may encounter problems with employees. Discrimination at work can lead to poor performance, absenteeism and loss of personnel. Moreover, this may also affect the image of the organization. Since the Netherlands has a strong culture of social security by law, companies should inform employees in advance concerning retirement. The majority of employees in the Netherlands are building their supplementary pension via their employer. If no CAO agreements (the Dutch collective agreement between employer and employee) are made, and the company is not required to participate in the pension fund, the employer may also decide not to offer a pension. If an employer does offer a pension plan, then an employee in most cases is obliged to participate.

Florida, on the other hand, has less strict regulative influences on the afore mentioned HR practices. However, during the recruitment and selection process, the U.S.A. (so also in Florida), there are key non-discrimination laws. For example, during an interview, an employer may not ask the age of a candidate. Where in the Netherlands, hiring of new employees may be difficult facing a possible termination period. In Florida, hiring an employee is less of a commitment and it is also more easy for an employer to let go employees as well. By law, the employee is not protected against getting fired, so therefore it is also not that common to offer an employee temporarily contracts which is common in the Netherlands. Since employees could be fired more easily, in Florida, a good functioning employee can also make faster progress. Concerning termination and retirement, regulative pressures do have an influence. In Florida, employees have a so known "At-Will" contract, which means an employee can be terminated without any termination period at anytime. Employees can also leave the company at anytime without a termination period. So, it is possible to cancel an agreement on a short term, while the legal process in the Netherlands is much more difficult and expensive. The difference is also remarkable concerning retirement, since in the U.S.A. there are no large scale pension funds. Employees have to take care of their own retirement or else they might end-up working old because of the low level of social security by the government.

The second type of influencing factors, is concerning normative pressures. This is about what the expectations of the general public are. How should both the company and the employee deal with "what is normal, and what is expected"? It is assuming that people should behave according norms and values of actors. Regarding normative pressures in the Netherlands, it's common to use own employees in the search of candidates and potential talent for open vacancies. Since, it's not rare to reward employees once the nominated candidate arrives at the permanent staff, employees are indeed expecting an amount of money for this (as a stimulation). During the
recruitment and selection process, Dutch employees are preferring to be treated neatly and the company should create clarity on how the selection process is organized. Therefore, candidates are expecting to receive a neat acknowledgment of their application, a neat invitation or rejection, and a neat confirmation where an address and data is corresponded. Coherent with the fact, Dutch employees want to be treat neatly, also performance management is strictly organized. Mainly, standard forms with standard issues are used and in case an employee needs improvement, a SMART analysis will be conducted to achieve that an employee is going to bring his or her ambitions into practice. Such an analysis is considered interesting for Dutch employees while in general they are quite enthusiastic and ambitious to become better and better (talent development). They are expecting that during the years, they can grow in both their personal development as well with regards to their salary. Also reward and compensation has to deal with normative pressures. For example, if the company want to stimulate sales employees in the Netherlands, you need to have an attractive bonus system. In case you have not, they are looking for an employer who does. Dutch employees are expecting that they are paid on time. Otherwise there are many associations, where the employee can go. Regarding termination and retirement, and in case the company is not involved in a collective agreement, the employee is been given a presentation concerning the pension regulation. According normal norms and values, both the employee and the employer are afterwards receiving a copy of the handouts which they sign to prove that the presentation is given.

In Miami, normative pressures also influencing HR practices according local standards. When recruiting and selecting employees in the Miami market, it's obvious that employees do not take that much care to be treated as employees in the Netherlands. Employees are much more versatile/mobile and it is remarkable that in an early stadium, employees in Florida are looking for new opportunities. They are not stay for a long time in the same company. So, while in the Netherlands, a SMART analysis is considered as desired by the employee, in Florida it is not common to use such procedures because the expectation is that employee are not stay for many years. However, performance management is encountered as extremely important. In Florida, performance is more paid by a bonus as in other countries. The U.S. job market is much more competitive and therefore excellent performance is rewarded. Performance is much more based on "facts" of employees' performance, and therefore this performance has also more consequences. A well functioning employee can make fast progress, and on the other hand, poor performers, usually are let go in a much more earlier stage as in the Netherlands. Termination and retirement is not that much influenced by normative pressures. In Florida, it is not common that employees are working for a company for many years, and ending a contract is not difficult (mentioned before concerning the "At-Will" contracts). An employer and employee can end the contract at anytime without a termination period.
The final pressure which is investigated, concerns the cultural-cognitive. It represents what is desirable by employees and conform to employees cultural expectations in the organizational environment. What are specific characteristics this environment, and how does the employer and employee want to be treated? Obvious when comparing the results of the case study, is that culture is having a stronger influence on HRM in the U.S. than in the Netherlands and work culture between the Netherlands and Florida (Miami) is differing strongly. It seems, hierarchy is considered as very important in the U.S., which brings forward that the culture of the workforce is mainly focused on making as much money. Therefore, they are willing to work hard but on the other hand, they also liked to be rewarded well for their (good) performance. In the Netherlands, an employee must be a sober, hard working person, with no imagination and not with a 'nine-to-five' mentality. It seems the normative and the cultural-cognitive pressure are having an overlap which is also emphasized in Luijten-Lub (2007). Therefore, concerning cultural influences, the attitude of Dutch candidates for open vacancies can also be mentioned in here. They are preferring to be treated neatly and they are expecting clarity concerning the recruitment and selection process from the employer. Next, Dutch employees can be characterized as being spoiled and also accustomed to secondary benefits. Employees in the Netherlands are stimulated by extra's such as an allowance for additional healthcare, attractive business trips with the company, extra training programs, participating in sporting events where clothing is sponsored by the company, attractive buying of company products etc.

As said, in Florida, the work culture differs in some respects from the Dutch work culture. Hierarchy is important, and since in the U.S. there barely are existing social insurance systems, the culture is mainly focused on making money. Therefore, employees are very driven at work and therefore they are unlikely to complain about their work and/or work circumstances. One of the most important aspects in Florida, is the Hispanic culture. Candidates should speak fluent Spanish. The Hispanic culture is characterized by employees who are tending to be reacting sensitive while conceiving critics. During performance appraisal, this culture must be considered strongly, while employees in Florida are interpreting criticism as a sort of attack on themselves instead of a remark on their work performance. Also on the work floor itself, there is little room for criticism. Criticize your colleagues or your manager is 'not done'. The work environment is mainly based on short-term appointments, decisions are quickly made, and the focus is result-oriented. The result-oriented culture, differs with the Dutch culture where it's about fulfill agreements on time. Employees working in Florida are tending to deliver quality, and for them this often is more important than delivering on time.
3. What factors are influencing the pressure and difficulty to transfer HR practices internationally, and is the subsidiary willing to apply them?

In the previous chapter and paragraphs, results of the conducted interviews are presented. Employees' needs are investigated and conflicting pressures are reviewed. In total, five participants have been interviewed on their view on four different HR practices. This last sub-question gives an indication on the contradictory influences concerning the Netherlands and Florida. These will be summarized in tables to give a more structured overview on how the institutional pressures are influencing HR practices.

### RECRUITMENT AND SELECTION PROCEDURES:

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Contradictory influences concerning recruitment and selection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulative</strong></td>
<td>▶ In the Netherlands comply with termination period of an employee who is applying for an open vacancy.</td>
</tr>
<tr>
<td></td>
<td>▶ In Florida, hiring is less of a commitment. No termination periods and easy for both the employer and the employee to end an employment.</td>
</tr>
<tr>
<td><strong>Normative</strong></td>
<td>▶ Dutch employees expect to be treated neatly, so create clarity during selection process (neat acknowledgment of application, invitation/rejection, etc.).</td>
</tr>
<tr>
<td></td>
<td>▶ In Florida, employees are much more versatile/mobile. There is not much value attached, to be treated as in the Netherlands.</td>
</tr>
<tr>
<td><strong>Cultural-Cognitive</strong></td>
<td>No significant cultural-cognitive influences.</td>
</tr>
</tbody>
</table>

*Table 4: Summary findings concerning recruitment and selection procedures*

### PERFORMANCE MANAGEMENT:

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Contradictory influences concerning performance management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulative</strong></td>
<td>▶ In case of poor performance, the company cannot fire an employee directly. In the Netherlands, comply with regulation of 'dismissal road' via UWV, or district court.</td>
</tr>
<tr>
<td></td>
<td>▶ Dismissal of an employee in Florida more easy. By law, the employee is not protected against getting fired.</td>
</tr>
</tbody>
</table>
| **Normative** | Common to use standards forms with standard issues. In case an employee needs improvement, a SMART analysis will be conducted to offer an employee to grow in both personal as well with regard to salary (talent management).

Since the expectation is that an employee will not work for many years in a company, SMART analysis is not common to use. However, performance management is considered extremely important. The performance is more based on facts and has more consequences since in Florida, employees expect to be rewarded for their work. |
|---|---|
| **Cultural-Cognitive** | Cultural-cognitive pressures do not have a significant influence on performance management in the Netherlands.

Employees in Florida are very driven and will not immediately complain about work and/or work circumstances. Hispanic culture is influencing performance management since they are tending to react quite sensitive when conceiving critics. The atmosphere is result-oriented. Where in the Netherlands it’s about fulfill agreements on time, in Florida it is more about quality so this sometimes is more important than deliver on time. |

Table 5: Summary findings concerning performance management

**REWARD AND COMPENSATION:**

<table>
<thead>
<tr>
<th><strong>Pressure</strong></th>
<th><strong>Contradictory influences concerning reward and compensation</strong></th>
</tr>
</thead>
</table>
| **Regulative** | In the Netherlands, they are dealing with minimum wages. However, it's common to pay more than the minimum wage. The main part of the compensation for an employee exists of fixed salary, and a part (for sales employees) is variable (not fixed).

In Florida, the difference between the minimum and maximum salary is extreme. It is possible to hire extremely cheap unskilled employees. However, employees with more skills and experience are generally spoken more expensive compared to the Netherlands, since in the U.S. (also Florida) a smaller percentage of the population is schooled on a bachelor or university (master) level. |
Convergence, crossvergence, or divergence of HR practices

Master Thesis Justin Alink - Business Administration, Human Resource Management

<table>
<thead>
<tr>
<th>Normative</th>
<th>No significant normative influences.</th>
</tr>
</thead>
</table>
| Cultural-Cognitive               | - Dutch employees can be characterized as spoiled and accustomed to secondary benefits (additional healthcare, business trips, attractive buying of company products, etc.). Sales employees are expecting to be rewarded for their performance.  
- Employees in Florida, expect to get rewarded for their performances in money. |

Table 6: Summary findings concerning reward and compensation

TERMINATION AND RETIREMENT:

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Contradictory influences concerning termination and retirement</th>
</tr>
</thead>
</table>
| Regulative        | - In the Netherlands, a strong culture of social security by law. Majority of employees are building their supplementary pension via their employer. In case an employer does offer a pension plan, then the employee in most cases is obliged to participate.  
- In the U.S. (also Florida), there are no large scale pension funds. People need to save for their own retirement. In the first place, an employee should decide whether he or she wants to save, in the second place, how much he or she wants to save, and in the third place, how he or she wants to invest it. In each three, people can make their own decisions and therefore also their own mistakes, while in the Netherlands the system is that the company determines what the pension will be and what the rules are. So, because of a low level of social security by the government, employees have to take care of their own retirement or else they might end-up working old.  
- In the Netherlands, termination of an employees' contract may be difficult and expensive since employer and employees have to comply the contract and with a termination period.  
- In Florida, employees have an "At-Will" contract. This means an employee can be terminated without any termination period at
5.2 Factors that shape HR practices transfer

Based on the answers on the previous sub-questions, the central research question of this investigation can be answered. "What are the institutional pressures that shape HR practices transfer from a Dutch multinational headquarter, to a U.S. subsidiary?" This section will elaborate on answering this question and will be done, by elaborating on each of the four HR practices separately.

Concerning recruitment and selection procedures, the norms and values of Coulisse are most important. Apparently, in both the Netherlands and Florida, it is considered essential that a potential candidate who is applying at Coulisse, should fit Coulisses' values and culture. However, the process of recruiting and selecting new employees seems to be different, since expectations of both the employer and employee in both locations are differing too much. Regulations concerning hiring an employee in Florida is much more easy than in the Netherlands which was evident from the results, and also the whole process of selecting the right candidate differs, since in the Netherlands people expect to be treated much more neatly than in Florida. Employees in Florida do not stay in the same company for years, as the economy is growing in a strong path with a lot of investments from Latin America, and therefore they see the work as an intermediate (temporarily) step. Therefore, they are unlikely to complain about the way they are treated during the selection process in which a simple call is often times enough. So, since the process differs too much, convergence (standardizing) of recruitment and selection procedures is not the most obvious choice. However, while the ambition of Coulisse’s HQ is to structure this whole process professionally, which also counts for Miami, they should intervene in some aspects. Analyzing the needs of Coulisse Inc. Miami, they would like to have more tools, how to recruit and select the right candidate. Therefore, Coulisse’s HR manager in the Netherlands should communicate more precisely, what type of employee the company is
looking for. The company as a whole should make a more specific focus on recruiting the right candidate, so during the hiring process it should be clear for Coulisse Inc. Miami, that the potential candidate will fit with Coulisses' values and culture. Those values should be communicated more widely within the company on for example posters, video’s and/or via presentations. Besides this is important and interesting for the company itself, it can also be interesting for the jobseeker to explore the companies' values and why these are important for Coulisse. Next, standardizing the process of sending acknowledgements of applications, and neat invitation or rejection letters is considered redundant in Florida. However, since the HQ would like to have a professional progress concerning this HR practice, they should set up more guidelines for Coulisse Inc. Miami. Regardless the fact, people in Florida do not have the same needs as people in the Netherlands, Coulisse Inc. Miami should implement this vision of a more professional progress anyway. Guidelines for implementing this should be clearly communicated by the HQ. In conclusion, adopting localized influences is considered most logical concerning recruitment and selection. However, by implementing the proposed recommendations, wishes and desires of both parties in the Netherlands and Florida will be met.

The second practice, involved performance management. Regarding poor performance and dismissal, in the Netherlands, the company should comply with regulation via the UWV, while in Florida, hiring and also dismissing employees is much more easy because of the so known "At-Will" contracts. In Florida, the employee is not protected against getting fired. Also concerning the process of assessing employees, both locations are differing strongly. The Hispanic culture has a major influence in Florida which was evident from the results. People are tending to react sensitive while conceiving criticism, so during performance appraisal, the attitude of the employer should adapt to local standards. What is remarkable, is that both Coulisse Netherlands and Coulisse Inc. Miami are willing to develop more talent. Obviously, both locations do not exactly know how they can detect potential talent of an employee and how they can let an employee develop in the company. Employees in the Netherlands are willing to grow in both personal as well with regards to salary, so it's common to use SMART analysis. This analysis is a follow up for the performance appraisal and gives an employee the opportunity to bring his or her ambitions into practice. It is considered interesting while in the Netherlands, employees in general are enthusiastic and ambitious to become better so they can develop themselves. Since employees in Florida are tempting not to stay for many years at the same company, it will not be logical to converge this practice according Dutch standards. However, since it is emphasized that Coulisse Inc. Miami likes to see more similarities between the development of talents as it is organized in the Netherlands, it is recommended to introduce and implement SMART analysis in Florida as well. Implementing SMART analysis in Florida, can also influence the employees’
attitude so they may feel more connected with the company so they are not only fascinated by their salary, but that they become aware of their own abilities and they can develop within the organization and not leave the company within a couple of years (which according the findings is really common). At the moment, performance interviews in Miami are conducted once a year and with sales managers, a monthly review is scheduled. However, since in Miami there is a need for a more organized protocol for annual interviews concerning performance, it is recommended to also implement the standard formats which are used in the Netherlands. These formats may also be a good indicator for the preparation of any SMART analysis in Florida.

In relation with performance management, a third practice is investigated which concerns reward and compensation. Since the results of the interviews have indicated that the differences in wages between the Netherlands and Florida are varying too much, it is emphasized that converging (standardizing) would mean that the company will overcompensate employees in one of the countries or under compensate in the other. Besides, the structure of wages is differing in both locations, since in the U.S.A. (including Florida) for sales employees, the part of the compensation that is variable (not fixed) is much more higher than in European countries. In Florida, employees expect to get rewarded for their performances on a much higher level than in the Netherlands. Next, the difference between minimum and maximum wages is much higher in Florida. It is possible to hire extremely cheap (unskilled) employees, but since in the U.S. (and also Florida) a smaller percentage is schooled on a bachelor or master (University) level, these employees are much more expensive than in the Netherlands. Concerning the culture, it's evident from the interviews, that Dutch employees are accustomed to secondary benefits such as business trips etc.. It seems, in Florida, they are not as much attracted by these types of benefits while employees over there are much more expecting to get rewarded for their performance in money. Since the results are indicating that convergence of reward and compensation will not be logical, it is advised to organize this practice separately and structure the process according local standards. However, it's recommended to create more guidelines for 'sales employees'. Since in both the Netherlands and Miami, sales employees are rewarded for their performance, Coulisse should have a look if this functions' salary system in both locations can have a common approach regarding minimums and maximums. Since both parties are likely to have the same opinion and needs to have a more structured process for sales employees, they should review and coordinate this process together.

The last practice concerns termination and retirement. The results were immediately indicating that the regulatory bodies in the Netherlands are forcing Dutch companies to comply with much more law and regulation concerning terminating employees. The strong culture of social security by law is much higher since the majority of employees are building their
supplementary pension via their employer. This is in contrast with Florida where employees should decide by their own whether they want to save for their retirement, how much they want to save and how they want to invest it. Next, the differences concerning contracts are making it not logical to converge this practice with the Netherlands. In Florida, employees have an "At-Will" contract, so they can be terminated at anytime without any termination period. In the Netherlands, termination is much more influenced by law and regulation, in which it could be difficult and expensive for an employer to directly terminate an employee because in the Netherlands companies do have to comply with termination periods. Also based on comments from in interviews, it is more logical for the parent company in the Netherlands, to stay away of interference and let Coulisse Inc. Miami organize this practice according local standards.
6. Conclusions

6.1 Managerial recommendations

Concluding this investigation on the possibility of transferring HR practices from the Netherlands to their overseas subsidiary in Florida, it is evident that the three institutional pressures of Scott (2001) are having a significant influence on HR in both locations. All mentioned pressures in both locations which are inconsistent with each other, are indicating that mainly for recruitment and selection procedures, and termination and retirement, it is more logical to adopt to the local environment. In conclusion, concerning these two practices it is not logical to converge, and therefore they should be diverged with the parent company in the Netherlands. However, concerning recruitment and selection procedures, and analyzing the needs of Coulisse Inc. Miami, it is advised to provide them more tools, how to recruit and select the right candidate. Therefore, Coulisse’s HR manager in the Netherlands should communicate more specifically, what type of employee the company is looking for concerning norms and values. Those values can be communicated more widely within the company on for example posters, video’s and/or via presentations on the coulisse.com website and via their internal intranet.

Regarding performance management, and reward and compensation, it is not logical to entirely converge with the HQ in the Netherlands. Since culture is influencing performance appraisal in mainly Florida, the process of assessing employees differs too much to standardize. In the U.S.A., the atmosphere is very result-oriented and employees are expecting to get rewarded more for their performance than in the Netherlands. This is also evident in the fact that the part of the compensation that is variable (not fixed) is much more higher than in European countries. Also the process of termination in case of poor performance in both locations is not similar since in Florida do not have to comply with for example termination periods (by law the employee is not protected against getting fired), which is something Dutch employers do have to comply with. So, standardizing both practices completely, seems to be not logical. However, there are some aspects, which can be converged with the parent company in the Netherlands. This mainly is applicable for introducing SMART analysis in Florida and create an improved organized reward plan for sales employees in both locations. Implement SMART analysis in Florida seems to be not the most logical option since employees do not see the importance of it. However, since Coulisse wants to develop talent in their whole organization, implementing this analysis is making their employees aware of their talent and knowledge. Next, comparing needs in both locations, Coulisse should also have a look if the salary system for sales managers in both locations can have a common approach regarding minimums and maximums. They should review and coordinate this process together. In conclusion, since convergence
seems to be not the most logical decision because the differences between the Netherlands and Florida are too much influencing decision making, and divergence is also not the most applicable alternative since the company should be able to implement SMART analysis and should try to re-structure the performance bonus-structure for sales employees, crossvergence is the most logical choice for both performance management, and reward and compensation.

6.2 Theoretical reflection

Reviewing this research, the main source in investigating if the proposed HR practices could be transferred to Florida, are the institutional pressures of Scott (2001). During the literature review, a framework is presented based on existing literature in which several models are presented which finally has led to three influencing factors according the institutional theory, described as regulative pressures, normative pressures, and cultural-cognitive pressures. This institutional theory has been very important for answering the research questions and therefore really contributed in finalizing this investigation. Several influences on the transfer of HR practices within MNCs are know from literature, such as national culture, employment law, firm strategy, nature of industry, labor unions etc. (Rosenzweig & Nohria, 1994; Björkman & Lervik, 2007; Clark et al., 2012). However, since the impact of institutional pressures have been extensively recognized in literature (Björkman & Lervik, 2007), and these three pressures in combination with the four HR practices were appropriate to investigate, the institutional theory is used. Results of this research supports the notion that institutional pressures indeed are having a significant impact on HRM in Florida, which forces a Dutch MNC to mainly diverge their HR practices.

6.3 Limitations

This research is conducted in one single company. To achieve a more specific description of human resource management in Florida and Miami in specific, probably more companies (MNCs) should be investigated. However, since it was difficult to get in touch with other companies in Florida, this was not possible. A personal contact made it possible to collect data from Coulisse Inc. Miami but also in this company there was a limit of participants who could be asked to participate. In addition, also the time limit made it impossible to collect more data from more companies. It was preferred to create direct contact with employees working in Miami, but because of several restrictions, contact was only possible via e-mail. However, the most important limitation in this research is the reliability of data. Before conducting the interviews, it is asked to the board of the company, to explicitly ask participants to respond as clear and comprehensive as possible. However, because not all participants have HRM background, data is moreover based on experience which limits the generalizability and validity of the investigation. While this research is conducted in one single company, it would be hard to generalize the
findings over other companies. The process of transferring HR practices and the influence of institutional pressures on them is definitely something, companies should be aware of. Anyway, how companies are organizing their HR policy is also business related.

6.4 Future research

The aim of investigating how institutional pressures have an influence on the converge vs. divergence debate and the transfer of HR practices in particular, is a popular issue in the field of HRM (Rosenzweig & Nohria, 1994; Kostova & Roth, 2002; Björkman & Lervik, 2007; Thite et al., 2012). By conducting interviews in both the Netherlands and Florida, several pressures have been found. However, it should be noticed that more research is needed to gain a more in depth view on how institutional pressures have an influence on transferring HR practices from the Netherlands to Florida. Besides, it is emphasized that institutional pressures can have an influence on the transfer of HR practices, and therefore these pressures were the main interest in this investigation. Probably, more pressures or influences can have an impact on transferring HRM to overseas subsidiaries, so it would be interesting for future research to investigate these other pressures. Next, this research is conducted in Florida (Miami) and therefore was also focused on this particular state. While there are similarities between Florida and other states, some results could be generalized over the U.S.A. as a whole. However, since Florida has his own specific culture in which the Hispanic is mainly important to consider, it can be interesting to do research on the transfer of HR practices to the U.S. as a whole. Finally, this research is focused on one single company, so it would be difficult to define how institutional pressures are affecting transfer of HR practices in another industries. Therefore, it would be interesting to do research in multiple companies and in different industries as well.
Convergence, crossvergence, or divergence of HR practices

References


## Activity overview

<table>
<thead>
<tr>
<th>Activity</th>
<th>Period</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigating possible supervisors and looking for company.</td>
<td>June 2012</td>
<td>Contacted Mrs. T. Bondarouk. Asking to supervise me during my final thesis. Also contacted Coulisse B.V. for an assignment. Both reacted positive.</td>
</tr>
<tr>
<td>Writing and finalizing research proposal + organizational arrangements with Coulisse B.V.</td>
<td>July &amp; August 2012</td>
<td>Contacted Mrs. Bondarouk for a meeting to discuss research proposal. Second supervisor added, Mr. H. J. M. Ruël. Research proposal approved.</td>
</tr>
<tr>
<td>Making adjustments in literature review. Developing methodology, interview protocols, and interview questionnaires.</td>
<td>November &amp; December 2012</td>
<td>Contacted Mrs. Bondarouk to gain feedback on questionnaires. Made adjustments, and received approval on interview questionnaires begin of December.</td>
</tr>
<tr>
<td>Asking approval for sending the proposed interview questions at the headquarter of Coulisse</td>
<td>December 2012</td>
<td>Received approval and send the interviews to the participants. Finalized research methodology chapter.</td>
</tr>
<tr>
<td>Send first three chapters of thesis to Dr. J. K. Looise for review</td>
<td>January 2013</td>
<td>Received feedback and input for making adjustments. First three chapters graded with a 7. Finalized HRM methodology course with a 7.</td>
</tr>
</tbody>
</table>
Convergence, crossvergence, or divergence of HR practices

<table>
<thead>
<tr>
<th>Conducting interviews with employees at the HQ and in Miami.</th>
<th>January &amp; February 2013</th>
<th>Questionnaires send via e-mail and arranged follow-up conversations at the HQ to gain deeper information.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing and analyzing data of conducted interviews.</td>
<td>February 2013</td>
<td>Finalized first draft of final thesis end of February. Send to internal supervisor committee; Mrs. Bondarouk and Mr. Ruël</td>
</tr>
<tr>
<td>Developing and writing conclusions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare final version of master thesis</td>
<td>March 2013</td>
<td>Received green light for defending thesis. Making adjustments in first draft.</td>
</tr>
<tr>
<td>Presenting final master thesis</td>
<td>April 2013</td>
<td>Presenting final master thesis to internal and external supervisor committee.</td>
</tr>
</tbody>
</table>
Appendices

Appendix 1: Interview information letter

Dear.....

First, thank you for willing to participate in my research. To introduce myself: My name is Justin Alink and I am 25 years old. I’m a student at the University of Twente in Enschede (Netherlands), where I'm studying a Master of Business Administration with a specialization on Human Resource Management (HRM). For my final thesis, I subscribed Coulisse to do research in HRM, and consequently they asked me to investigate, how they can gain more grip on their HR policy in which I was asked to investigate the opportunity for Coulisse to transfer HR practices from the Netherlands to their subsidiary in Miami. My supervisor at Coulisse is Leonie Elbertsen-Aman.

The aim of this interview is to examine how the headquarter in the Netherlands should deal with influences which are affecting HRM in Miami. First, it is possible that the mentioned HR practice in Miami can be 'converged' with the same HR practice in the Netherlands. This means, that the HR practice can be standardized and therefore can be organized the same in both Miami and the Netherlands. Secondly, if the outcome is that there are several pressures, strongly influencing a HR practice in Miami, it should be 'diverged'. This means that the HR practice should be localized and therefore that in both locations, the HR practice should be organized individually. The third possibility is 'crossvergence', which can be compared with a combination of convergence and divergence. Based on four different HR practices which are proposed by Leonie, several "pressures" will be investigated. These pressures can be explained as potential influences from the local environment on the HR policy. Three types of pressures will be investigated, and to gain an insight into these "pressures", they will be shortly presented in the following:

- **Regulative pressures:** What sort of governmental laws and rules are influencing decision-making? It reflects existing laws and rules by the government or other regulatory bodies.

- **Normative pressures:** What are the expectations of the general public. How should both the company and the employee deal with "what is normal, and what is expected"? It is assuming that people should behave according norms and values of actors.

- **Cultural-cognitive pressures:** Representing what is desirable by (potential) employees and conform to employees cultural expectations in the organizational environment. What are specific characteristics, and how do employees want to be treated?
A list is conducted on HR practices which will be investigated. These HR practices are; recruitment and selection procedures, performance management, reward and compensation, and termination and retirement. Based on conversations with Leonie, Coulisse is adding much value to openness, honesty and transparency, and therefore this vision should be characteristic at all their locations all around the world. The view on this vision, is included in this interview.

Again, thank you for participating! In case you have questions, please let me know.

Kind regards,

Justin Alink
Student Business Administration, Track Human Resource Management. University of Twente
Dorpsstraat 152b
7468 CS Enter (Netherlands)
Telephone: +31 6 38 20 49 21
E-mail: justin.alink@concepts.nl
Appendix 2: Interview questionnaires

HR manager Netherlands

Name: ________________________________

Function: ________________________________

Date: ________________________________

Time: ________________________________

Recruitment and selection procedures:

1. How does Coulisse Netherlands recruit its employees? What different types of recruitment tools are being used?
2. What are the criteria for employee selection for different functions?
3. What sort of governmental laws and rules are influencing decision-making?
4. Do you have to comply with certain recruitment tools which are expected by the general public? What is experienced to be most effective in recruiting and selecting new employees? Do your for example experience a need for using social media or other specific recruitment tools?
5. Among what types of cultural characteristics should Coulisse Netherlands deal with, concerning the process of recruiting and selecting employees? E.g., what kind of remarkable cultural aspects of the target group, are influencing the recruitment and selection process?
6. What are the most important aspects in the process of recruiting and selecting new employees, to implement in Miami?

Performance management:

7. How is performance management at Coulisse Netherlands organized?
8. Are there governmental laws and rules, which pressures the performance management?
9. Does Coulisse Netherlands have to comply with certain programs which are expected by the general public?
10. What types of cultural characteristics should Coulisse Netherlands deal with, concerning performance management? What kind of remarkable cultural aspects are important in performance management in the Netherlands? E.g., how do employees like to see their evaluation organized etc.?
11. What are the most important aspects in performance management, to implement in Miami?
Convergence, crossvergence, or divergence of HR practices

**Reward and compensation:**

12. How is reward and compensation regulated at Coulisse Netherlands?
13. Are there governmental laws and rules which have an influence on e.g. minimum remunerations etc.?
14. Does Coulisse Netherlands have to comply with certain differences between different groups (age, generation, educational level)?
15. Are there cultural pressures, which Coulisse Netherlands should deal with, concerning reward and compensation? If so, which cultural aspects are important concerning reward and compensation in the Netherlands?
16. What are the most important aspects in the process of reward and compensation, to implement in Miami?

**Termination and retirement:**

17. How is the process of termination and retirement organized at Coulisse Netherlands?
18. Are there governmental laws and rules, which force Coulisse Netherlands to comply with local regulation in case of termination etc.?
19. Does Coulisse Netherlands have to comply with for example policies of labor unions and how, etc.?
20. Are there cultural characteristics, which Coulisse Netherlands should deal with, concerning termination and retirement? If so, which cultural aspects are important to concern?
21. What are the most important aspects in the process of termination and retirement, to implement in Miami?

22. Would you like to have a more organized HRM policy, which is structured from the headquarter in the Netherlands? If so, do you also think this is possible, concerning the aforementioned pressures?
23. Coulisse is adding much value to openness, honesty and transparency, and therefore this vision should be characteristic at all their locations all around the world. How does Coulisse Netherlands handle this vision. E.g., are there cultural influences which have an significant impact on conserving this vision?
CEO Coulisse Inc. Miami and also responsible for HR in Miami

Name: ________________________________
Function: ______________________________
Date: ________________________________
Time: ________________________________

Recruitment and selection procedures:

1. How does Coulisse Miami recruit its employees? What different types of recruitment tools are being used?
2. What are the criteria for employee selection for different functions?
3. What sort of governmental laws and rules are influencing decision-making?
4. Do you have to comply with certain recruitment tools which are expected by the general public? What is experienced to be most effective in recruiting and selecting new employees? Do your for example experience a need for using social media or other specific recruitment tools?
5. Among what types of cultural characteristics should Coulisse Miami deal with, concerning the process of recruiting and selecting employees? E.g., what kind of remarkable cultural aspects of the target group, are influencing the recruitment and selection process?
6. How would you like to structure the recruitment and selection process? Would you like to see improvements in this process? An which ones?

Performance management:

7. How is performance management at Coulisse Miami organized?
8. Are there governmental laws and rules, which pressures the performance management?
9. Does Coulisse Miami have to comply with certain programs which are expected by the general public?
10. What types of cultural characteristics should Coulisse Miami deal with, concerning performance management? What kind of remarkable cultural aspects are important in performance management in Miami? E.g., how do employees like to see their evaluation organized etc.?
11. How would you like to structure the process of performance management? Would you like to see improvements in this process? An which ones?
**Reward and compensation:**

12. How is reward and compensation regulated at Coulisse Miami?
13. Are there governmental laws and rules which have an influence on e.g. minimum remunerations etc.?
14. Does Coulisse Miami have to comply with certain differences between different groups (age, generation, educational level)?
15. Are there cultural pressures, which Coulisse Miami should deal with, concerning reward and compensation? If so, which cultural aspects are important concerning reward and compensation in Miami?
16. How would you like to structure the reward and compensation process? Would you like to see improvements in this process? An which ones?

**Termination and retirement:**

17. How is the process of termination and retirement organized at Coulisse Miami?
18. Are there governmental laws and rules, which force Coulisse Miami to comply with local regulation in case of termination etc.?
19. Does Coulisse Miami have to comply with for example policies of labor unions and how, etc.?
20. Are there cultural characteristics, which Coulisse Miami should deal with, concerning termination and retirement? If so, which cultural aspects are important to concern?
21. How would you like to structure the process of termination and retirement? Would you like to see improvements in this process? An which ones?

22. Would you like to have a more organized HRM policy, which is structured from the headquarter in the Netherlands? If so, do you also think this is possible, concerning the aforementioned pressures?
23. Coulisse is adding much value to openness, honesty and transparency, and therefore this vision should be characteristic at all their locations all around the world. How does Coulisse Miami handle this vision. E.g., are there cultural influences which have an significant impact on conserving this vision?
Recruitment and selection procedures:

1. Do you experience differences and/or similarities between Miami and the Netherlands, concerning recruitment and selection procedures? E.g., are the differences in law and government between Miami and the Netherlands? Do you experience differences facing recruitment tools which are being used, and/or are there remarkable cultural differences between job seekers?

2. Do you think, considering differences between Miami and the Netherlands, that recruitment and selection procedures can be standardized, or do you think both locations should organize this process separately, and why?

Performance management:

3. Do you experience differences and/or similarities between Miami and the Netherlands, concerning performance management? E.g., are the differences in law and government between Miami and the Netherlands? Do you experience differences on expectations by the general public, e.g., how do employees like to see their evaluation organized, and are there remarkable differences between competitiveness, etc.?

4. Do you think, considering differences between Miami and the Netherlands, that performance management can be standardized, or do you think both locations should organize this separately, and why?

Reward and compensation:

5. Do you experience differences and/or similarities between Miami and the Netherlands, concerning reward and compensation? E.g., are the differences in law and government between Miami and the Netherlands, e.g. minimum remunerations? Are there any specific cultural differences, concerning reward and compensation between Miami and the Netherlands?

6. Do you think, considering differences between Miami and the Netherlands, that reward and compensation can be standardized, or do you think both locations should organize this separately, and why?
Termination and retirement:

7. Do you experience differences and/or similarities between Miami and the Netherlands, concerning termination and retirement? E.g., are the differences in law and government between Miami and the Netherlands, in case of termination? What is the role of labor unions between both Miami and the Netherlands? Are there any specific cultural differences, concerning termination and retirement between Miami and the Netherlands?

8. Do you think, considering differences between Miami and the Netherlands, that reward and compensation can be standardized, or do you think both locations should organize this separately, and why?

9. Coulisse is adding much value to openness, honesty and transparency, and therefore this vision should be characteristic at all their locations all around the world. Are you aware of this vision? If so, how do you experience this, and do you have remarks? Do you experience differences between Miami and the Netherlands on retaining this vision?

Other employees (both Miami and the Netherlands)

Name: __________________________
Function: __________________________
Date: __________________________
Time: __________________________

Recruitment and selection procedures:

1. How did you apply to work at Coulisse? How were you selected? Which recruitment tools did Coulisse use? What were the procedures during the process of applying and being selected? What do you think of this process, and do you have remarks?

2. Can you mention specific characteristics of a potential employee, who is applying in your country/city? So, what are specific expectations of job seekers?

Performance management:

3. How is performance management at Coulisse organized, in your country/city? What do you think of this process, and do you have remarks?

4. What are for you, important aspects in performance management? How would you like to see this process? E.g., what are your expectations, how do you like to see documentation, etc.?
**Reward and compensation:**

5. How is reward and compensation regulated at Coulisse, in your country/city? Do you have remarks?

6. What are for you, important aspects on reward and compensation? Do you have specific expectations on how Coulisse should handle remuneration in your country/city, are there minimums, etc.?

**Termination and retirement:**

7. How is the process of termination and retirement organized at Coulisse, in your country/city?

8. What are important aspects in the process of termination and retirement in your country/city? E.g. retirement age, what is the role of labor unions, following specific procedures etc.?

9. Would you like to have a more organized HRM policy at Coulisse, in your country/city? If so, what sort of changes would you like to see?

10. Coulisse is adding much value to openness, honesty and transparency, and therefore this vision should be characteristic at all their locations all around the world. Are you aware of this vision? If so, how do you experience this, and do you have remarks?
Appendix 3: Interview transcripts

Interview report 1:
Participant 1: HR Manager Coulisse B.V.
Date: February 4th, 2013

Recruitment and selection procedures:

Recruiting new employees in the Netherlands is done by several ways. First we start with a banner on the building 'Dock 36' situated along the highway A1. Since much traffic passes this building, many potential employees are confronted with the fact, we have open vacancies. They consult our website and respond. Also our own employees are used to recruit new employees by give them the opportunity to use their social media. We do this with the support of the program RecruitR from Mobillion. If an employee has provide the right candidate, they do get a reward of 250 euro once the candidate arrive at our permanent staff. In addition, we are using recruitment and selection agencies to support us by finding new employees, and usually we advertise in the local newspaper and occasionally in a national newspaper. This depends on the type of function. The history proved that recruiting via these mediums, has been most successful. When candidates come to our office for a first conversation, the first meeting is with the HR department (me) and the relevant supervisor. Then, a second interview follows with the HR department (again me) and in most of the cases the Management. A candidate always receives a neat acknowledgment, an invitation or rejection, a confirmation/telephone call with the address data etc.. After the last meeting, a possible contract will be drawn up and submitted in two copies for signature. The candidate is also getting a personnel company map with details, and ins and outs of the company Coulisse. Since we have no collective agreement, it is shaped like this. While Coulisse is adding much value to openness, honesty and transparency, and this vision should be characteristic at all our locations all around the world, potential employees should fit our companies’ culture. In addition, he/she should be educated well which must fit with the job requirements. We always have to deal with termination periods of potential employees. If we have found a suitable person and that person may start within one or two months, then we'll go for it. Concerning cultural characteristics that Coulisse Netherlands should deal with, the potential employee must be someone who fits the culture of Coulisse. Within the Netherlands there are already many different cultures, mentalities in the West of the country are very different than in the east. The candidate must be a sober, hard working person, with no imagination and not with a nine to five mentality. Concerning Miami, I think it is important that the entire recruitment and selection process is processing professionally. Candidates should receive a timely message back and a neat telephone call with a written confirmation. Candidates
must be received neatly and professionally. The process should go smoothly, in line with how we deal with it in the Netherlands.

Performance management:
The management and sales staff are working with templates and targets. In this, goals are stated which they must realize. Once a month, the status is discussed and in each quarter of the year, it is examined what is and what is not achieved. The performance of other employees is officially discussed per every half year. In June we have performance appraisals and in December the assessment interviews. In between both meetings, there are several talks to track the progress. There are also meetings with employees with a probation, and there are also meetings which may be requested by the employees themselves. This process is also desired by our employees since Coulisse also tries to carry out an open vision with respect to his employees. A limitation concerning performance management, is that in case of poor results of an employee, he or she cannot just be dismissed by the company. We need to keep certain rules and we have to comply with for example the dismissal road via the UWV (a Dutch government agency responsible for performing the employee insurance) or via the district court.

Personally, I would find it desirable that the functioning and assessment of employees in Miami will be the same as in the Netherlands. This means, regularly performing their process, so the functioning will be stimulated positively and employees are developing and are satisfied. I would like them to care about the business and feel connected, so they are not only fascinated by e.g. salary. I would also find it desirable that the remuneration is in line with that of Coulisse in the Netherlands (according standards of America). Employees may have goals and in my opinion also a bonus structure may be linked to these goals (especially for sales employees). Concerning the development of talents, I would like to see both Miami and the Netherlands are getting more out of this, in line with each other.

Reward and compensation:
Coulisse has a reward house classified in scales. This is coupled with salaries from a minimum to a maximum. These scales have an additional bonus structure depending on employees’ own results and profits. In the Netherlands, we have to deal with the minimum wage. At Coulisse Netherlands, we always pay more than the minimum wage. On the question, if Coulisse Netherlands have to comply with certain differences between different groups; we do take this in account in relation with the mentioned scales. The higher educated, the better one works, and the longer the person works at Coulisse, the more that is paid up to the maximum of the scale.

Employees in the Netherlands are accustomed to build their retirement at their employer. The same applies for a partial reimbursement of medical expenses. For sales employees, they expect
a bonus system. If we want to stimulate sales employees in the Netherlands we should offer an attractive bonus system to attract them, else they are looking for an employer who does. Dutch employees are also quite spoiled and are accustomed to secondary benefits. They are stimulated by extras such as an allowance for additional health, attractive trips with the company as teambuilding abroad, participating in sporting events where cloths are sponsored by the company, attractive buying of company products etc.. Employees also expect to have the opportunity to grow in both their personal development as with regards to their salary.

**Termination and retirement:**

For employees with a fixed-term contract, the contract is legally off. If we wish to stop in an earlier stadium, we must observe the statutory notice period. Also for contracts of indefinite duration, we have to follow the law. Depending on the age of the person, a termination compensation can be pay. This may be mutually arranged but can also be arranged through the district court. For this last road, Coulisse is rather not choosing because this takes much time and energy. Each employee in the Netherlands receives a pension which is offered by Coulisse. Within a month after being recruited, employees are been given a presentation of our pension regulation. This is legally defined. They get handouts along afterwards and they sign a release so we can always prove that the presentation is given.
Interview report 2:
Participant 2: CEO Coulisse Inc. Miami
Date: January 18th, 2013

Recruitment and selection procedures:

Coulisse Inc. has been created in April 2011 with one single employee. At that time, nobody knows Coulisse in Miami and therefore in order to attract potential employees, I searched in my personal network to see who has the competences, skills and attitude to fill in two open positions: North America Sales Manager and a Showroom Manager. For the North America Sales Manager, both directors in the Netherlands interviewed the potential candidate in Miami. Then, the candidate went three days in Enter to see if he would like to work with Coulisse in terms of size, culture and values. In Enter, he had also an interview with someone from the Management Team. For the Showroom Manager, I interviewed two candidates that came to Coulisse Inc. through my personal network. No specific tool were used (only interviews). Concerning the selection of employees, the candidate should have experience and knowledge of our industry. Next, the candidates' personal values and ambitions are reflected; will it fit with Coulisses' values and growth? Off course, the candidate skills and competences and requests in terms of compensation will be discussed. Finally, does the candidate speak Spanish? This is a must in Miami. In the U.S.A., there are key non-discrimination laws. As a consequence, there is several information that you cannot ask to a candidate. For example, you cannot ask the age of a candidate (candidates also do not mention their age on their resume/CV). My experience in what is most effective in recruiting and selecting new employee, is that now after almost two years of existence, Coulisse Inc. starts to be known from the professionals in our industry. Nowadays, time to time, I get some requests of potential candidates looking for new job through LinkedIn. When recruiting and selecting employees in the Miami market, employees are much more versatile/mobile and looking for new opportunities: employees do not stay in the same company for many years as the economy in the city is growing in a strong path with a lot of investments from Latin America. Second, the employment contract is an “At-Will” based contract for the most common positions. This means, as a consequence, that the company or the employee can stop the contract without a termination period. I would like to define what the decisions are that can be taken locally and what decisions have to be done by the HQ (and also by who in the HQ) during the recruitment and selection process. Next, I would also like to see the company provides tools/knowledge to ensure that the candidates will fit Coulisses' values and culture.

Performance management:

I monthly review where each sales person is standing regarding his actual numbers and our budget/target numbers and we discuss together what happened positive and negative. If there
is a risk that the target numbers will not be reached the following month, a specific action plan will be set up. These two employees have a bonus structure based on objectives (common objective to Coulisse Inc. and personal objectives). These will be reviewed once a year. I am not aware if there are governmental laws and rules, which pressures the performance management? This also counts for, if Coulisse Miami have to comply with certain programs which are expected by the general public? In the U.S.A. (including Miami), for sales employees, the part of the compensation that is variable (not fixed) is much more higher than in European countries. In the U.S.A., employees expect to get rewarded for their performances. How I would like to structure the process of performance management? Well, how can we have a common approach (Enter/Miami) to link the compensation (salary increase, bonuses, etc.) with the performance of the employee. Next, how can we detect potential talent of an employee in order to make them grow and develop within the company.

**Reward and compensation:**

Concerning reward and compensation in Coulisse Miami, there is a hourly minimum salary. In case there are more than five employees working, the company has to provide a medical insurance according governmental laws. In Miami, at the moment we have four employees, but yes there are difference in terms of age, experience, education. Potential candidates are expecting a compensation such as bonuses. If I could restructure the reward and compensation process, I would like to see more guidelines in terms of instance of salary increase.

**Termination and retirement:**

The process of termination and retirement in Miami, comparing this with for example the Netherlands, is quite different. Our two managers have an “At-Will” contract, which means they can be terminated without any termination period at anytime. They can also leave the company at anytime without a termination period. Concerning governmental laws and rules regarding termination and retirement, Coulisse Miami should apply the employee contracts without making a breach. In the U.S.A., legally what counts is ‘what is written’ and not ‘what the parties were intended’ to do. In Miami, companies should NOT have to comply with policies of labor unions. May be, I would like to structure the process of termination and retirement, but first I have to know the current process that I do not know yet. In conclusion I can say that I think we should have a more common policy at Coulisse between HQ and Miami. With this I refer in terms of performance management, performance reward, annual interview for performance assessment, and identify and develop talent. I think that we should make a specific focus during the hiring process that the potential candidate will fit with Coulisse values and culture. Those values should be communicated more widely within the company.
Interview report 3:
Participant 3: Business Development Manager Coulisse Inc. Miami for Latin America
Date: January 14th, 2013

Recruitment and selection procedures:
Experiencing differences facing recruitment and selection procedures between the Netherlands and Miami (Florida) is mainly focusing on how the hiring of employees is regulated. In the United States, hiring an employee is less of a commitment, and it is easier to let-go people as well. In the Netherlands most usually employees are offered temporarily contracts, while that is not an issue over here, because by law, the employee isn't protected against getting fired. In the U.S., it isn't allowed to ask an interviewee for his or her age and usually this is not given on the CV. If I consider differences between Miami and the Netherlands, concerning recruitment and selection procedures to be standardized, I do not think this is possible. It is a complete different practice in both. Both locations should organize separately, but can learn from each other expertise. Other functions that can be shared are the advertisements/publications of vacant positions and publishing it on the Coulisse.com website.

Performance management:
Concerning performance management, the U.S. job market is much more competitive and excellent performance is reward excellent packages. Poor performers usually are let go in a much earlier stage than in the Netherlands. Of course this can be different amount different companies as well as in the Netherlands. Facing the differences, I think performance management should be organized different, because it is impossible to know the job market in a specific region in a specific country. For example, it will be very difficult for a HR manager in the Netherlands to judge about a correct rewards plan for an employee in the U.S., as the Dutch HR manager is not aware of the current situation in the U.S. A non-local HR manager will not know what is necessary to keep the local employee satisfied OR will spend too much resources, while this would not have been necessary after all.

Reward and compensation:
With regards to reward and compensation, in the U.S. the difference between the minimum and medium salary is extreme. This means it is possible to hire extremely cheap unskilled employees. Employees with skills/experience however are generally spoken more expensive compared to the Netherlands. In the U.S. a smaller percentage of the population is schooled on a Bachelor or University (Master) level. I think the process of reward and compensation should be localized, as both locations are not comparable in terms of job market. Standardizing would mean that you overcompensate employees in one of the countries or under compensate employees in the other country. By organizing it separately an optimum can be reached for both.
Termination and retirement:

In Miami it is possible to cancel an agreement on a short term, while the legal process in the Netherlands is much more difficult and expensive. The job market in Miami is more hire-and-fire. The protection by law is abundant, however, companies can distinguish themselves, by having higher ethical values than the law describes. This can lead to employee loyalty. Coulisse in general is adding much value to openness, honesty and transparency all over the world. I experience this in the way that all issues are solved in an open and transparent way along the team here in Miami. Retaining this vision in Miami can be done in a more personal way, because the team is much smaller.
Interview report 4:
Participant 4: Director Coulisse B.V.
Date: February 1st, 2013

Recruitment and selection procedures:
In foreign countries, we most of the time are recruiting through our own network. We are selecting candidates on this way while we have noticed that advertising does not have the desired effect. In the Netherlands we do advertise, and are using the internet and newspapers to recruit candidates for open vacancies. Also in the Netherlands we are making use of our network. In addition, in foreign countries, we mainly select sales employees who come out of the same business as we are in. A potential employee, who is applying in the Netherlands should speak English as well. English speaking is no nonsense. Besides, a candidate should have an anticipating attitude, must be eager to learn and should have the capability to solve problems by him or herself. Sales employees who are younger, most of the time are being worked in. Internal sales employees also are being educated internal. Candidates for engineering functions should have HBO education and a warehouse mentality. In Miami, speaking the Spanish language is a must. It is getting more easy to find workers in the U.S. We get more known and people apply themselves by mainly using LinkedIn. So, it is getting easier for us to find new workers.

There is a huge difference in the culture and habits between Miami and the Netherlands, which also counts for rules applying there. A lot of the recruitment and selection process is in the Spanish language. It is easier to really understand the personality of an interviewee if you can chat in the native language. In Miami it is almost necessary to fluent speak in English and in Spanish. So, while both locations are too much differing, and getting grip on Miami from the Netherlands seems to be so difficult facing cultural differences and language, I think this process of recruiting and selecting new employees should be regulated locally.

Performance management:
We are measuring more and more, and we also record results of employees more and more. Recording these results is a key in judging on fact workers. This is a more reliable tool as just judging on feeling what was done before. At Coulisse, we like to have a measurement tool which is more based on facts to also see the performance of the worker as well. This also counts for performance on department and/or country base. At this moment we have start a process, in which we in the future can hopefully see these results in a small dashboard. In Florida performance is more paid by a bonus as in other countries as for example the Netherlands. Comparing the U.S. to the Netherlands, the performance management in the U.S. is much more based on "facts" of employees' performance and this performance has more consequences (a well a good functioning employee can make progress fast and a less functioning employee is
fired more easily. Discussing performance in Miami, and thinking along with the Hispanic culture, it is remarkable that Hispanic employees are tending to be more sensitive while conceiving criticism. Hispanic people are interpreting criticism as a sort of attack on themselves instead of a remark on their work performance. This sometimes can be difficult, also because the Hispanic culture is accompanied by another type of view on urgency than for example the Dutch culture. They are tending to deliver quality, and this sometimes is more important for them to deliver on time. Therefore, it would be difficult to standardize performance management all over the world. However, while we are busy to get a better overview on results on department and/or country base, I can say we would like to see a more structured process of performance management.

**Reward and compensation:**

In the Netherlands, we have just introduced a new reward system. It is new and we need to find out if it works well. The new reward and compensation system should give a drive to the sales force to achieve goals which normally would not be achieved at the same level. In the U.S. it is much more normal to have a bigger flexible bonus related salary. Therefore we have another system over there. Therefore, concerning reward and compensation, both Coulisse Inc. Miami and Coulisse in the Netherlands are differing too much to standardize this process. This is because of the different attitude focusing on how important performance is being encountered.

**Termination and retirement:**

Facing the process of termination and retirement, in the U.S. we can stop our agreement with an employee at any moment. Over there, our employees have a so known “At-Will” contract. In the Netherlands it is much more difficult while in here both the employer and the employee have an termination period. Also a part of the salary or bonus is related to that, and therefore salaries and bonuses in the U.S. are higher. In the U.S., considering rules on termination in the Netherlands, there are no large scale pension funds, so employees have to take care of their own retirement. And if they don't, they might end-up working old, because of a low level of social security by the government.

The open vision of Coulisse that we would like to see all over the world is very important for us. I think it's very important for us to gain better grip on Coulisse Miami while business over there is "booming". It is key that we communicate our vision well, but in many occasions it causes problems, indistinctness, negative situations and it would be very good if a tool would be there where we communicate our new employees our values.
Interview report 5:
Participant 5: Financial Controller
Date: January 25th, 2013

Recruitment and selection procedures:
Employees applying for Coulisse in the Netherlands should be honest and must show integrity. The employee should work hard and must be able to act as a team player while teamwork is considered to be very important in our HQ. Next, employees should have communicative capabilities and a no-nonsense mentality. In the Netherlands recruit via advertisements in newspapers. Also the internet is being used to recruit candidates.

Performance management:
Performance management in the Netherlands is organized in such a way, that we are making use of forms with standard issues. Per employee, several issues and competencies are being discussed and finally, the employee is receiving a review. In case, an employee needs improvements and we want to see more of him/her, a SMART-analysis is started which stands for Specific, Measurable, Acceptable, Realistic, and Time bounded. With this, Coulisse Netherlands tries to show what employees want to achieve and directs the behavior of them. Moreover, the results are giving an indication when it should be achieved. The aim of formulate SMART is to achieve that employees really are bringing their ambitions into practice. This methodology works perfects. Nevertheless, while an employee is operating fine, the forms are to extensive. I prefer to create and use an abridged version. In conclusion, I think the process of performance management in the Netherlands is functioning good, while everybody knows what to expect.

Reward and compensation:
All functions at Coulisse (excluding directors) are divided into scales. Scales have a starting and final salary. For proper operation, you can create one or more steps. The starting point is a step, however, exemptions may be made. In less good performance, it is possible that you do not make any steps. A step can be coupled with a factor (dependent on good or poor results). Important aspects concerning reward and compensation in the Netherlands are the results, commitment, and (partly) training. These aspects are important for determining the wage. Furthermore, in the Netherlands, there are statutory minimum wages. Wages at Coulisse are well above the minimum. If Coulisse have to comply with certain differences between different groups, actually not. Since functions are divided into scales, an employee who is employed for a long time or a certain age will be higher in the scale than a "beginner". The compensation process at Coulisse Netherlands has been completely restructured recently. The method we have chosen is appropriate at Coulisse. Therefore I have currently no additions and/or comments.
Termination and retirement:

Since 2009, Coulisse has a new pension scheme. A working group (consisting of colleagues) is accompanied by a pension adviser, and discussed the pension matter. So, what is possible and what do we need? The wishes of the employees have been linked to the needs of Coulisse. We have come to the conclusion that we would like to have a distribution agreement (instead of the then existing defined contribution scheme). Employees in this scheme are paying a contribution of 7% of pensionable salary since 2009. According to the retirement code, companies (so also Coulisse Netherlands) should treat similar groups of employees equitably and you may not distinguish. Therefore, we have split our workforce into groups: employees employed before 1-1-2009 and employees employed after 1-1-2009. The rules of the code must be strictly adhered, otherwise you have the chance that later we encounter problems with our employees. New employees must be reported by the pension insurer within one month after being employed. It is also important that you know that you as an employer have a duty of care to your employees. You need to inform employees in advance. All new employees receive a comprehensive pension presentation with the content of our pension plans and also with various laws and regulations, and tips on what they should think. To document that we inform employees, after a presentation, a copy of the handout is signed by the employee and we keep this document in our personnel file. After almost two years of service, a second presentation will be held in which we pay attention to the transition from the gateway system to the base rules. Also in this, we receive a signed copy of the handouts.
Appendix 4: Conclusion & recommendation letter HR manager Coulisse B.V.

Coulisse B.V. is a leading global supplier of window decoration in ready-made products for Do-It-Yourself markets, in loose parts for the assembler, and for wholesale customization. There are 120 employees working at various global locations, headquartered in Enter.

In the recent months, Justin has delivered a good performance. Full of action and excitement, he carried out his master thesis concerning our question on HRM for Coulisse in the Netherlands vs. Miami. After his literature review, he has been involved in research within our company. Within a short time, he gathered a lot of information. He administered several questionnaires to various employees within Coulisse, to receive a good view on the whole. Based on his research, his findings and input from the questionnaires, he has given us a thorough advice. In this advice, Justin showed much decisiveness and perseverance.

Justin has fulfill his graduation, with full satisfaction within Coulisse. In his work performance, he has shown that he can work well, initiative and thinking along with the organization. Besides these qualities, he showed to have the good mentality. As a person, we have experienced Justin as pleasant, enthusiastic and eager to learn.

We are thanking Justin for his commitment to Coulisse B.V., and we wish him all the success for the future.

Sincerely,

Leonie Elbertsen-Aman
HR Manager Coulisse B.V.
Convergence, crossvergence, or divergence of HR practices

Master Thesis Justin Alink - Business Administration, Human Resource Management