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**Composing the Top Management Team in the International Subsidiary:
Qualitative Evidence on International Staffing in US MNCs in the Republic of
Irelandⁱⁱⁱ.**

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ABSTRACT

International staffing is a central plank of enquiry in MNC research. In this context, much of the research effort has been dedicated to providing an understanding of expatriation from a headquarter perspective and on unearthing explanatory factors and situational issues associated with the expatriation of parent country nationals. Comparatively less is known about the utilisation of host country nationals (HCNs) and third country nationals (TCNs) in staffing key positions in MNC subsidiary operations. Drawing on the results of a qualitative study in the Irish context, the current paper presents a nuanced perspective on the staffing of MNC subsidiaries from a subsidiary perspective. We find that HCN and TCN employees play a key role in managing the US owned Irish subsidiaries investigated, most of which display a strong centralised control over their Irish subsidiaries. Our findings also point to a pattern of temporal evolution in the staffing policies pursued within the MNCs. Furthermore, our research lends support to the proposition that the use of HCNs and TCNs to staff senior positions in new expansions within the host country is higher where the expansion follows a wave of earlier investment in that location. We explicate our findings in the context of the enfolding literature and highlight the implications of the research for international staffing theory and practice.

KEY WORDS:

Expatriation; Host Country Nationals; International HRM; International Staffing; Ireland; MNC; USA; Third Country Nationals.

INTRODUCTION:

Although the topic of expatriate management has been to the fore of the research agenda in international human resource management (IHRM) for many years, a number of important questions regarding multinational corporations' (MNCs) approaches to international staffing remain. Firstly, extant research has overwhelmingly focused on issues surrounding the expatriation of parent country nationals (PCNs), with a lack of attention on the utilisation of host country nationals (HCNs) and third country nationals (TCNs) in staffing key positions³ in subsidiary operations (Tarique, Schuler and Gong, 2006). Further, much of the recent advancement in the field has been through large-scale quantitative studies (cf. Gong, 2003a; Harzing, 1999; 2001a; 2001b) and increasingly through studies from a range of countries beyond the US (cf. Kopp, 1994; Peterson, 2003). These important studies have suggested a number of contextual/situational factors, including age, home and host country of the multinational corporation (MNC), the cultural distance between the home and host, the degree of international integration and the international strategy, all of which impact the staffing configuration of multinational subsidiaries.

This paper attempts to build on these studies by advancing debates on the contextual impacts on the staffing of key positions in multinational subsidiaries. Our focus is not however limited to a consideration of PCN expatriates only, but also includes the role played by HCNs and TCNs in the process. In contrast to the large-scale surveys which, of themselves, have been very useful in identifying trends among MNCs of different nationalities or from different sectors, our aim is to provide a more nuanced insight into staffing arrangements in MNCs from a subsidiary perspective. Drawing on qualitative data from a study of human resource management (HRM) practices in five large US MNCs, we focus on the top management teams in US MNC subsidiaries in Ireland, and explore the factors involved in their composition and how this has evolved over time.

³ While the primary focus of this paper is on the composition of top management teams (TMT) at subsidiary level, we recognise that the key positions can emerge at levels lower than the TMT and further that the prominence of expatriates can vary based on the influence of the positions they hold. Thus following Rosenzweig and Singh (1991: 351) we argue "The prominence of expatriates [both PCN and TCN] can be measured in terms of their number compared to local nationals or in terms of the influence of the positions they hold". Thus in a sales subsidiary, marketing positions and local knowledge may be key while in a manufacturing subsidiary, production positions and knowledge of corporate processes and standards may be key. In the context of staffing decisions, key positions may reflect preferences for specific skills among candidates which may relate *inter alia* to nationality.

The paper is structured as follows. Firstly, we review extant research pertinent to the current study and outline our theoretical foundations. We then set down the methods employed in conducting the empirical work. Following the presentation of our case narratives, we move to explore these results in the context of the unfolding literature previously discussed.

INTERNATIONAL STAFFING IN MNCS:

When considering the orientations MNCs can take towards staffing senior positions in their foreign operations, Perlmutter's (1969) seminal paper is an appropriate point of departure. Perlmutter introduced a classification of MNCs based on differentiating between firms on the basis of their postures towards the geographic sourcing of their managerial teams. He initially identified three possibilities: *ethnocentric* organisations where all key positions in subsidiary organisations were filled by nationals from the firm's country of origin; *polycentric* organisations where subsidiary positions are generally staffed by nationals from the country in which the subsidiary is located and; *geocentric* organisations where positions are filled by the best available person regardless of nationality. In later work (Heenan and Perlmutter, 1979) a fourth possible orientation was added - *regiocentric* where organisations are configured on a regional basis with senior appointments in subsidiaries restricted to the best available person within the region. While it is unlikely that many MNCs will exactly fit a single type and generally display more than one type (Bonache and Fernandez, 1999) it provides a useful lens through which to consider the orientations of MNCs towards staffing.

In the context of the present study, it is important to point to trends in US MNCs in this regard. On balance, the extant literature on US MNCs shows that policy-making, both in the domain area of HR and more generally, tends to be more centralised and standardised than in MNCs of other national origin (e.g. Harzing, 1999; Negandhi, 1986; Young et al., 1985; Yuen and Kee, 1993). Further, these policies tend to be more formalised (i.e. explicit through systems and procedures and standardised across the corporation) in US MNCs. Thus, US MNCs tend to be characterised as quite ethnocentric in their orientation towards international management (Boyacigiller, 1990; Ferner et al., 2004). Paradoxically however, on balance, the literature with

regard to the utilization of expatriates in US MNCs suggests that they tend to use fewer expatriates to fill key subsidiary positions than their European and Japanese counterparts (Harzing, 1999; Tung, 1992). Indeed, it has been argued that the reduction of expatriates among US subsidiaries, which was largely in response to posited high expatriate failure rates, has gone too far and resulted in problems of coordination and identity with corporate strategic objectives (Kobrin, 1994).

With respect to why MNCs use expatriates, Edstrom and Gailbraith (1977) proposed three key motives for their deployment. Firstly, as *position fillers* when suitably qualified host country nationals were not available. Secondly, as a means of *management development*, aimed at deepening the competence of the individual manager. Thirdly, as a means of *organisational development*, aimed at increasing knowledge transfer within the MNC and modifying and sustaining organizational structure and decision processes. More recently authors have focused explicitly on the control function of expatriates (see for example Harzing, 2001b). The reasons why expatriates are deployed are significant because empirical research has demonstrated that these underlying reasons may impact the expatriate's job performance, their adjustment and the likely roles they will perform (Shay and Baack, 2004), although it is important to note that assignments generally have more than one rationale (Sparrow et al. 2004). Others have differentiated between learning driven and demand driven assignments (Pucik, 1992). Harzing (2001a) found that US MNCs, along with their UK counterparts, displayed higher levels of demand driven reasons for using PCN expatriates in foreign subsidiaries.

Turning to the factors which impact on the configuration of staffing arrangements in multinational subsidiaries, without doubt the host country emerges as significant. Specifically, the use of PCN expatriates to fill key positions is higher in developing countries (Boyacigiller, 1990; Harzing, 2001a) and in subsidiaries based in hosts with lower levels of educational attainment (Gong, 2003a; Collings and Scullion, 2006). Further, there is often fierce competition between MNCs and local organizations to recruit and retain managers with the scarce competencies required to operate in these emerging markets (Gupta and Wang, 2007). Indeed, it has been argued that the supply of international managers is often retarded through the failure by many MNCs to effectively recruit, retain and develop HCN managers (Black and Gregerson, 1999).

Research shows that many MNCs have focused most of their management development efforts on their PCN managers and have tended to neglect the development of their HCN managers (Dowling and Welch, 2004). Problems with the implementation of the localisation process have been well documented (cf. Evans et al, 2002; Harry and Collings, 2006) and include *inter alia*: a focus on short-term costs to the detriment of long-term benefits; education systems in the host which fail to develop appropriate workplace skills; inappropriate selection methods, as well as an unwillingness or ineptitude among incumbent expatriates to develop host nationals.

In the context of the present paper, Ireland represents an interesting host context, one which has evolved from: “[A] still backward, unproductive and labour-intensive one [country] owned by the Irish, to a modern exceptionally productive and capital-intensive one owned by foreigners” (Economist, 1997:21). Thus, an interesting human capital dynamic, occasioned by Ireland’s significant development trajectory, refers to the extent to which MNCs established more recently have taken advantage of these changing host conditions and employed HCNs from among the “maturing core of Irish managerial talent capable of managing sophisticated manufacturing operations” (Begley et al., 2005: 205). Further, research has pointed to the impact of the cultural distance between the home and host as significant in predicting the level of expatriate presence, with culturally diverse hosts displaying higher levels of expatriate presence (Boyacigiller, 1990; Gong, 2003a). Thus, the relative cultural proximity between Ireland and the US implies that levels of expatriate presence may be lower, although apposite to this, the perceived high quality of life in Ireland means that it represents an attractive location for expatriates (Begley et al., 2005). A growing body of literature also points to the age of the subsidiary as a factor which impacts on the number of PCNs present in subsidiaries. Indeed, empirical research points to an inverse relationship between expatriate presence and the length of establishment of the subsidiary operation (Franko, 1973; Gong, 2003a; Harzing, 2001a). In this regard, Briscoe and Schuler (2004) posit that the number of PCNs utilised by MNCs for control reasons in the early stages of internationalisation is high, it then tends to grow for a short period and then peaks at a level necessary to ensure continuity in the international environment.

A final factor that may impact on the debate is the role of the MNC's internationalisation strategy. Although this is an under explored area of the debate, Scullion and Starkey's (2000) empirical study represents an important contribution. In this regard Scullion and Starkey examined the role of the corporate HR function specifically in the context of the internationalised firm. They identified three distinctive groups of companies: *centralised companies*, where large corporate HR staffs exercised control over the careers and mobility of senior management and high potentials worldwide; *decentralised companies*, with a smaller corporate HR function with a more limited role in managing the careers and mobility of senior management and high potentials worldwide and; *transition companies* that were in the process of moving from a decentralised approach to a more centralised approach.

CONCEPTUAL BACKGROUND AND PROPOSITIONS TO BE EXPLORED:

In exploring these debates we draw on agency based perspectives, which have an established pedigree in research on the institutionalisation of organisational control mechanisms and global staffing decisions (Eisenhardt, 1989a; Gong, 2003b; Ouchi, 1979; Tan and Mahoney, 2003; 2006).

Agency theory has been advanced as useful in explaining the relationship between MNCs and their foreign subsidiaries (O'Donnell, 2000; Roth and O'Donnell, 1996), in which the principal's (HQ) economic interests require the efforts of their agents (subsidiary management). Further, the agents do not bear the complete economic loss of their decisions and may have the economic self-interest to advance their personal economic interests at the expense of the principal's interests (Jensen and Meckling, 1976; Tan and Mahoney, 2003). In this regard, agency perspectives suggest that MNCs have two options with regard to minimising agency problems in subsidiary operations- *monitoring*, which provides greater information about agent behaviour and limits the ability of the agent to engage in self-interested behaviour, or *incentives*, which strive to align the goals of the principal and agent through outcome-based financial incentives (Jensen and Meckling, 1976; O'Donnell, 2000). It is the former that are of primary interest with regard to staffing decisions, as the deployment of PCN expatriates has long been advanced as a key means of monitoring subsidiary behaviour. As Tan and Mahoney (2003) note, this is based on the premise that

expatriates have been socialised into the global firm and thus would be expected to have a more balanced understanding of the subsidiary's role within the MNC and more likely to act in the best interests of the MNC. However, while this theory is useful for explaining decisions with regard to greenfield start-ups, it has limitations with regard to staffing expansions where there are HCNs within the subsidiary who may be equally socialised into the MNC, depending on their experience in the global corporation. Thus, by this stage, there may be a competent cohort of HCNs within the subsidiary with the potential to run the expansion and with the requisite track record within the firm to be trusted to so do.

Further, thus far, scholars have failed to fully explore the possibility that TCNs, who have been socialised into the MNC through other subsidiaries, may represent a viable alternative in staffing subsidiaries. This is noteworthy as TCNs are likely to become a more common alternative for MNCs as drives to reduce the cost of staffing foreign subsidiaries, combined with issues facing MNCs with regard to increased demand for PCN expatriates when the supply of competent PCNs is falling, mean the continued utility of the PCN assignment as traditionally conceived has been challenged (Collings, Scullion and Morley, 2007; Scullion and Collings, 2006). Further, as research indicates that US MNCs utilise lower levels of PCN expatriates in staffing foreign subsidiaries than MNCs from other countries (Ferner et al., 2004; Harzing, 1999), a more nuanced understanding of subsidiary staffing, which moves beyond choices between PCNs and HCNs, is appropriate. Finally, in organizations with regional structures the transfer of TCNs around the region may represent a viable alternative in staffing foreign subsidiaries. Thus TCN employees who are socialized into the firm though their experience of working in the firm, and in particular regional HQ, may represent a viable option for monitoring subsidiaries from a HQ perspective (Tarique, Schuler and Gong, 2006). Like PCN expatriates, their broader experience within the regional structure may lead them to have a more balanced understanding of the subsidiary's role within the multinational firm. They may also represent a compromise between PCN expatriate and HCN nationals in staffing subsidiaries (Tarique, Schuler and Gong, 2006). Further, their knowledge of firm-specific capabilities may be of particular value to the firm in complementing the location specific advantages of local knowledge and connections that HCNs possess (see Tan and Mahoney, 2003 in the context of PCNs).

The logic of agency theory, combined with the US origin of the subsidiaries under investigation and the impact of this ownership on the likely patterns of human resource deployment across subsidiaries results in three core propositions as follows that served to guide our qualitative research effort in the case firms:

Firstly, the literature consistently points to the prominence of standardised, formalised control mechanisms in US MNCs (Boyacigiller, 1990; Ferner et al., 2004; Harzing, 1999; Negandhi, 1986; Young et al., 1985; Yuen and Kee, 1993). Further, US MNCs generally deploy lower levels of PCN expatriates than MNCs of other nationalities in staffing their foreign operations (Collings and Scullion, 2006; Ferner et al., 2004; Harzing, 1999). This leads us to our first proposition.

Proposition 1: Given the propensity among US MNCs to utilize standardized, formalized control mechanisms in the control of their foreign subsidiaries, we expect the deployment of HCNs and TCNs to be significant, relative to PCNs, in staffing their Irish subsidiaries.

Second, a growing body of literature considers the emergence of regional structures in MNCs. Tarique, Schuler and Gong (2006) point to the relatively high degree of independence afforded to regions within a regional structure. Hence, subsidiaries within the region are managed as interdependent units, under the guidance of the regional HQ. Regional HQs have a high degree of autonomy to staff regional operations as they see fit. Thus, under this structure it is likely that flows of PCN expatriates will be lower than in situations where transnational or ethnocentric structures are the preferred approach, with the consequence that the reliance on TCNs expatriates will be higher. This leads to our second proposition.

Proposition 2: In situations where MNCs have established and well-developed regional structures, we expect the deployment of higher numbers of TCNs in staffing their Irish subsidiaries, compared to those MNCs without regional structures.

Finally, we turn to the establishment of the subsidiary and its influence on the staffing composition in the subsidiary. In this regard, it is relatively well established in the literature that PCN presence tends to be higher in newly established subsidiaries and declines over time (Gong, 2003a; Harzing, 2001c). However equally important is the expansion of MNC operations in a given location. It is on this we focus. Specifically, in situations when the MNC is expanding subsidiary operations or opening new

operations in a location where an already established subsidiary exists, there will be an established HCN management team and thus the level of PCN expatriates should be lower in this development situation. This leads us to our final proposition.

Proposition 3: The deployment of HCNs and TCNs to staff senior positions will be higher in expansions/subsidiary set-ups where a pre-existing subsidiary already exists within that host country location.

METHODOLOGY:

These propositions are explored using data gathered from five detailed studies of human resource management in Irish subsidiaries of US MNCs. Summary detail on these is provided in box 1. The case firms were chosen on the basis of their potential contribution to theory building (Eisenhardt 1989b; Yin 2003). In this regard, the case studies seek to cover some key theoretically important variations, including US regional origins (east vs. west coast companies); regional location of subsidiaries in Ireland; union/non-union status; greenfield/brownfield establishment; global structure including, significance of regional operation; and sector (e.g. pharmaceuticals, healthcare, electronics, and services). Further issues which impacted on the selection of the case firms included the availability of access.

Our case study data were generated largely through in-depth interviews with company personnel, employees and employee representatives (including trade union officials) in the Irish subsidiaries of five large US MNCs, while additional information was garnered from company documentation, web sources and observation. In each case, interviews were conducted with all of the top management team, plus a cross section of middle and front line managers/team leaders, lower ranking employees, employee representatives (shop stewards) and trade union officials. We also conducted interviews with individuals with responsibility for regional or world-wide portfolios within the organisations. In total some 67 interviews were conducted. Each interview was conducted by a minimum of two interviewers, tape-recorded and transcribed. Interviewees were briefed in advance regarding the research agenda. The interviews were conducted over the period from September 2000 to May 2005 thus providing a quasi-longitudinal element to the research effort. All companies are identified through pseudonyms and all interviewees identified by their job titles. The data were analysed

using QSR NVivo which allowed us to code the data into a number of significant categories relating to our core propositions. Our main findings are outlined below.

TAKE IN BOX 1 APPROXIMATELY HERE

FINDINGS:

Ab Initio Approaches to Staffing the Subsidiary

We begin by exploring staffing arrangements in the MNCs on establishment. In this regard, we found a noteworthy emphasis on the utilisation of expatriate managers in key positions during the early stages of establishments in a number of our case firms. For example, in Pharmaco, interviewees noted that when the company first established in Ireland in the late 1960s, the first general manager was an English expatriate (TCN), his three immediate successors also having been non-Irish employees (two PCNs and a further TCN).

In the early days of the site here, if you look at people at senior level, the first manager who was here was English because the project initiated out of the company's business in the UK. The next guy was an American close to retirement. The next guy was English again, coming from the Brussels headquarters that existed at the time. The next guy was American-again close to retirement, and then there was an Irish person and since then there [has always been] an Irish person.

(Managing Director, Pharmaco)

A very similar picture emerges in Logistico. When Logistico's support operations were first established in Ireland, the initial management team was composed entirely of foreign nationals. While the site manager was a PCN, the majority of positions were filled with TCNs from South America and the company's largest European operation in Germany. The first HCN to be promoted into this top management team was a HR manager and this happened within approximately a year of the Irish operation's establishment. While HCN managers have assumed a number of key positions within the organisational hierarchy in recent years, all of the site manager roles in the Irish operations continue to be held by TCN managers. Indeed, the Consolidated Site Manager specifically raised the issue of reducing the number of PCN expatriates in Europe over the preceding decade. He traced this shift to the increasing self-sufficiency of the European region.

The rationale [for reducing PCN expatriate presence in Europe] is the self-sufficiency of the European operation and I remember the times 10 years ago when we had American expatriates left right and centre...now there are only...¹⁹ I think American expatriates working outside of US these days... And ya it's an accomplishment of having developed a local management workforce and the self-sufficiency of that management to be able to run the operation themselves.

(Consolidated Site Manager, Logistico)

Indeed, of all of our case companies, Logistico fits most closely with Perlmutter's classification of a regiocentric MNC and as we will see below considerable emphasis is placed on international rotation at a regional level among high potential staff. Thus, it appears that management transfers appear to be restricted to within regions with little opportunity for progression beyond the region. The exception to this trend within the corporation appears to be the transfer of PCNs to the European operations, albeit a trend that has declined in recent years. These transfers appeared to be premised on position filling and knowledge transfer objectives. Thus, the HQ saw these transfers as a means of ensuring that the European operations were established and run in line with corporate objectives. As a suitably competent cohort of managers emerged within the region, they were afforded greater responsibility in running these operations.

In a similar vein, respondents in Healthco pointed to the significance of PCN expatriates during the early stages of the Irish operation. The last of these American (PCN) managers left in 1980. There is little doubt that these initial PCN expatriate management team instilled a culture which differed in significant respects to that which pertained in most other comparable firms in the region at that time. They introduced a more informal management style and approach to communications. Indeed, the establishment of good initial management-employee relations contributed in no small measure to the high levels of trust between management and employees and their unions evident today (see Gunnigle et al, 2005 for a discussion in this regard).

In Itco, a similar picture emerged with expatriate employees filling a significant percentage of key posts during the early stages of the corporation's Irish operations. During the period of establishment of the Irish manufacturing facilities a number of

assignees were sent from the US (PCNs), largely for their experience of the manufacturing business and the absence of same among the initially recruited Irish managerial team. These assignees assumed responsibility for critical roles during the ramp up with the aim of transferring knowledge and ensuring that the operation was being set up according to the '*Itco*' way. Despite a posited functional explanation for using US assignees in senior management positions, it is clear that they also played an important role in diffusing *Itco's* business approach and also some of its corporate values and beliefs to the Irish operations. As the Operations Manager noted: "They are bringing people over from the older sites to continue to spread the [Itco] philosophy".

Similar to the other case firms, the prevailing situation in *Itco* is that Irish managers (HCNs) are being primed to take over the roles of assignees as they leave and gradually the number of Irish managers is increasing. Due to the fact that Irish employees are becoming more technically proficient and thus assignees are less warranted for their technical skills, it was suggested that PCNs are currently sent primarily to nurture the *Itco* culture and way of doing business as opposed to fill positions:

The people who come in now are definitely here to help develop our culture...what happens is now that the Irish managers are starting to move up to the next level and we're having a lot of assignees moving out of their departments to be replaced by an Irish manager

(Employee 1, *Itco*)

Similarly, the utilisation of PCN expatriates was emphasised in the early stages of the Irish operation in *Computerco*. These PNCs played a key role in transferring knowledge to Irish employees particularly in the manufacturing or production management areas but interestingly top management positions were filled by HCNs from the time of establishment. Thus it appeared that the PCN expatriates played practical, product-based roles. Interestingly however the perception among the vast majority of respondents we spoke to was that these PCNs assumed relatively non-interventionist roles. All of those hired to fill senior management positions in the Irish operation had however amassed experience working at a senior level in other US MNCs. The interview with the European VP of HR (an Irish national) was particularly insightful in this regard:

It certainly [experience in other US MNCs] made the [US] folks more comfortable. I interviewed with [the Chief Executive and another senior board member]...plus a couple of seasoned H.R. practitioners in the U.S. To them the language of U.S. multinational, the U.S. talk, even being able to talk labour law or culture or diversity in a language that they were comfortable with...It's things like that I really think helped me. Also the fact that I had seen Irish operations from abroad and could clinically evaluate with less patriotism than maybe you might expect.

Since the initial establishment the level of international staff transfers in Computerco have been minimal, with transfers generally being limited to spreading standardised production techniques from the US to Irish subsidiaries. Indeed, the European VP of HR in Computerco suggested that the company had a policy which downplayed the role of expatriates of any sort in the organisation, a policy which he traced to the attendant cost implications.

Staffing in the Context of MNC Subsidiary Expansions

A further significant indicator of an MNC's orientation towards staffing their foreign operations is the staffing of new expansions in foreign locales. However, this is an area which is relatively under-explored in the literature. Further, this is particularly significant in the Irish context given a recent shift in government policy toward the retention and expansion of existing MNC and the shifting of their investment up their corporation's value chains (cf. Begley et al., 2005; Gunnigle et al, 2006).

In this regard, we look first at Itco. An interesting finding there was that recent growth in the company's Irish operation led to a requirement to hire some new managers into the organisation. However, the hiring of these managers was supplemented by the transfer of expatriates from other Itco locations. Interviewees pointed to the lack of managerial experience within Itco in Ireland at that time and suggested that this was addressed through the transfer of a number of expatriate workers from other Itco locations abroad (generally TCNs), and generally within Europe:

The wealth of experience in Irish managers is low in terms of [Itco] experience. What has been good is that there has been people chosen with experience in the external market so there is a variety of ideas being integrated. However, a number of mentors have been chosen from [Itco] facilities overseas, but that will change with the development of local mentors.

And as you move up the management chain, certainly the mentors will have to be from overseas.

(HR Partner, Itco)

Again this highlights the significance of TCN expatriates in US MNCs in Ireland. A broadly similar picture emerged in Pharmaco, particularly during the earlier expansions to the Irish operations, where foreign expatriates played a key role in the earlier expansions. Indeed the Director of Finance explicitly raised this in our discussions. He noted:

They [HQ] appointed a project manager [for all new projects], say twenty years ago, twenty-five years ago. Then gradually over time because we have people here who were quite capable of doing it- and doing it better than anybody from New York ever did it and we had the resources here to do it. We have been managing our own projects for the last 20 years and we have been allowed to get on with it.

(Director of Finance, Pharmaco)

As he notes however, as the level of managerial competence in the Irish operation increased the HQ's trust of HCN managers began to increase and they were increasingly utilised to establish and complete new projects and indeed this is now considered the norm. Indeed, the Irish operation has gained a very significant position within the Pharmaco portfolio and a number of the company's biggest selling products are produced in bulk format entirely in Ireland. Thus, the potential ramifications of any discontinuity of production in the Irish operation would be very significant for the corporation globally. Perhaps reflective of this is the fact the company has recently appointed a VP of HR for the Irish group of companies who is a PCN expatriate. He was the first senior level PCN appointed to the Irish operation in a number of years. Thus, it would appear that when the Irish operation reached a threshold level of significance within the corporation, HQ decided it prudent to appoint a PCN to help to ensure continuity of production in the Irish operation.

As noted above, Logistico's new expansion was headed by a TCN expatriate. However only the plant/site manager position is now occupied by a foreign national, while all other top management positions at the site have been filled by HCNs. This would appear to suggest that, as competence within the Irish operation had increased since establishment, HCNs were afforded greater responsibility in these new establishments. In Healthco, HCNs have also been afforded a good degree of

responsibility and indeed there have been no senior level expatriates involved in the day-to-day establishment or running of the company's new Irish operations in recent years. This appears to suggest that the corporation appears to place a significant degree of trust in Irish HCN managers.

The final theme covered with regard to the international staffing policies of US MNCs in Ireland will be the extent to which international assignments are utilised to facilitate management development.

Management Development as the Assignment Rationale

Given our focus on TCNs and HCNs, we also explore the extent of transfer of such categories of employees for managerial development purposes as key in exploring the flow of HCNs and TCNs within MNCs and in ensuring a talent pipeline for top management positions in the companies. As noted above, a long standing posited use of expatriate assignments is as a means of management development. Interestingly, only one of the companies, Computerco, did not appear to emphasise using international assignments as a means of management development. Although there were a number of people on assignment at any point in time, these assignments tended to be driven largely by position filling objectives as opposed to managerial development ones. Hence, the degree to which these assignments fulfilled management development objectives was apparently of secondary significance. We did however witness some transfers from the American HQ to the European HQ and there did appear to be an element of management development, combined with control objectives, attached to these assignments. A further significant finding was that development driven assignments tended to be initiated by individual employees in Computerco. Thus while the company was open to transfers in this regard, employees were transferred permanently to the new host and thus placed on the payroll there, and hence they did not receive any of the financial incentives normally associated with expatriate assignments.

In contrast, both Itco and Logistico placed the most emphasis on the use of international assignments to facilitate management development. In Logistico, it was very apparent that if managers wanted to progress up the organisational hierarchy

within the company, they would be required to have attained some international experience. Interviewees indicated that the company would facilitate any employee with a good pedigree within the company who expressed an interest in gaining international assignment experience. Further, once employees did take an international assignment, interviewees indicated that it could become the first stage of a rotation of international assignments and that the company was quite demanding in that regard.

Logistico can be you know very demanding company in that respect you know to get those [international assignments] opportunities you have to be totally flexible. You have to be prepared to...pick up and leave the country...with possibility of never coming back again. Because once you move once...for example with me if I was to move now...at the end of that you'd hope to [get a] promotion...[the most likely situation when I return is] there's no job in Ireland with the grade that I would be looking at apart from site manager position which...In order to get people to do that there have to be good loyalty to the company and I think that's what's bred into us very early.

(Call Centre Manager, Logistico)

It appeared however that while there was ample opportunity to attain experience in other European locations, it was very rare for European expatriates to be transferred to the US operation.

A considerable emphasis was also placed on the use of international assignments for management development in Itco. Indeed, this was the company that appeared to have to highest number of TCN and PCN expatriates in their Irish operations. Further, it appeared that these assignments were used to develop managerial and organisational expertise and to transfer knowledge around the corporation. Indeed, it appeared that the primary objective of these assignments, for transferred Irish HCNs, was to help them to develop new skills and bring these back to the Irish subsidiary and thus facilitate the development of other employees. It was also suggested that those with senior/top management potential are sent to European headquarters in Paris on assignment to get a taste for the different businesses in the *Itco* portfolio and to experience the corporate culture there (HR Partner, Itco). With regard to executive positions, there are formal succession programmes in place, where several candidates are identified with 'high management potential' and are given opportunities to gain greater experience and knowledge to facilitate their development with the Itco corporation. The transfer of managers to other foreign plants to work on projects and

develop new skills may facilitate this. It was claimed that the international movement of personnel in Itco is used to deploy experience to particular plants and transfer skills and knowledge, and also as an aid to leadership and management development. Thus, the use of international assignments appears to be a popular management development tool in Itco.

Likewise, Pharmaco appeared to place a degree of emphasis on the use of expatriate assignments to develop managerial potential. Indeed, the HR Advisor noted that increasingly the number of international transfers were being pushed by management at corporate and national level in recent years. This was reiterated by the HR Manager who noted: “We would have site goals to transfer a number of people across the sites in Ireland and internationally. It’s therefore treated very seriously. It is goaled”. Further, for an employee to be considered for high potential management development programmes they would have to be fully, geographically mobile and prepared to take up an international assignment. As the HR Advisor notes:

We have a normal succession plan and a HYPO [high potential employees] list and there are development plans in place for the people on the list...You would have to be fully mobile within one year and if you wouldn't travel you wouldn't go on the HYPO list.

(HR Advisor, Pharmaco)

Pharmaco was the only one of our case firms where we unearthed anything approaching noteworthy numbers of HCNs being transferred to the US. In this regard, interviewees pointed to a number of Irish HCN who had been transferred to the HQ, remained there and reached key managerial positions within the corporation globally. Indeed the limited utilisation of inpatriationⁱⁱⁱ (the transfer of HCNs or TCNs into the home organisation on a permanent or semi permanent basis (Harvey Novicevic and Speier, 2000) as a means of management and organisational development in our case firms is an interesting finding particularly in the context of Harvey, Novicevic and Speier’s (2000) argument that changes in the globalisation process may render traditional and unidirectional models of global staffing less appropriate for organisations operating in the global sphere. This suggests that while the potential benefits of inpatriation for MNCs are relatively well established in the academic literature (cf. Harvey et al., 2000; 2006), on the basis of our findings it appears that its

application in practice appears limited. Thus, the use of inpatriates may represent a means through which the MNCs under study could strengthen their international management teams, promote the development of high performing HCNs and TCNs and potentially increase their competitiveness in the global arena.

We found little evidence of any real use of international assignments to develop managerial competence in either Healthco or Computerco. Specifically, in Healthco, we found little evidence of career progression for managers from Irish sites into corporate HQ in America or indeed to other Healthco sites in Europe or beyond. While the literature on HRM in MNCs often highlights the importance of international assignments in moving up the corporate ladder, this does not appear to be the case in Healthco. Ireland has not had an expatriate on site since 1980 and only a handful (2-3) of Irish managers have spent any significant amount of time (3 plus months) at Corporate Headquarters. Further, staff transfers within the European operations have also been limited. As noted above a similar picture emerged in Computerco.

The management development rationale thus emerges as significant in explaining the flow of HCN and TCN employees within the MNCs under study, although the flows tend in the main to be restricted to within the region.

ANALYSIS AND DISCUSSION

In considering the import of our finding for discussions on global staffing we point to a number of key trends. Regarding our first proposition, we found that, as expected, HCN and TCN employees did play a key role in managing the US owned Irish subsidiaries under study. As expected the case firms, with the exception of Healthco, also displayed strong centralised control over the Irish subsidiaries. While a detailed discussion of the nature of centralised and formalised control is beyond the scope of the current paper this theme has been explored elsewhere (cf. Gunnigle and Collings, 2005; Ferner et al, 2006) and our findings point, on balance, to a high degree of centralised, formalised control in the monitoring of Irish subsidiaries. This was reflected in high levels of formal standardised policies and closely controlled budgets. Standardised policies were particularly evident in terms of the management of

performance, particularly among managerial ranks and through the use of performance related pay and bonus systems (which, drawing on agency perspectives reflect incentives aimed at minimising agency problems) and through management development and succession planning. Thus, our findings confirm characterisations of US MNCs as standardised and formalised in terms of managerial systems and processes.

Returning to staffing considerations, only Itco and Healthco utilised significant numbers of PCNs in senior subsidiary positions during the early stages of Irish establishment. In contrast, TCNs played a key role in the establishment of both Pharmaco and Logistico, while Computerco was largely staffed with HCN managers. While there were a number of PCNs utilised in the subsidiary in the early stages of Computerco's Irish establishment, their role appeared to be restricted to position filling, primarily at an operational level. In accounting for this trend we point to two key explanations. Firstly, and most significantly, the company operated at the lower end of the information and communications technology (ICT) sector, with a strategy that emphasised low cost leadership and second to market orientations. Hence, as the European VP of HR noted, the number of expatriates was generally constrained due to cost issues. Secondly, Computerco was relatively young when the Irish subsidiary operation was established. This may point to a quantitative lack of managerial competence within the HQ operation, hence the firm may not have had suitable PCN staff to transfer to the Irish operation. Further, as the Irish plant was the first European manufacturing facility, and one of the early global expansions there may also have been a limited number of TCNs available for consideration. This may indicate that firms that expand abroad at an early stage in their life cycle may be more likely to fill key subsidiary positions with PCNs, or indeed TCNs in a situation where there is a lack of managerial competence within the firm. This is an important finding in the context of discussions around *born global* firms.

Indeed, recent developments emphasise the use of TCNs in staffing expansions in Computerco. Specifically, the Irish national who headed the initial Irish operation was later transferred as a TCN to open further Computerco operations in Malaysia and China. More recently (2006), Computerco has announced an expansion to its European manufacturing operation, with the establishment of a large facility in

Eastern Europe. Corporate announcements indicate that this operation will be lead by an Irish executive who will bring a team of TCN (Irish) expatriates with him to establish the operation. This suggests that where managerial competence is available within the region in Computerco, it may be preferable to staff new subsidiaries with TCN expatriates rather than PCNs or HCNs.

Further, our findings clearly indicate a temporal evolution of staffing policies within MNCs. Hence as subsidiary management build experience and competence within the organisation, the reliance upon PCN expatriates, where they were used, to control subsidiaries is reduced. Indeed, the significance of TCN and HCNs, relative to PCNs, in staffing subsidiary operations was, as set out in our third proposition, greater in expansions/subsidiary set-ups in host locations where an earlier established subsidiary already existed. In Itco, large-scale subsidiary expansions meant that there was a lack of available managerial talent in the Irish operations to staff the recent wave of expansion. Thus, TCNs played a key role in filling key managerial positions in this expansion. Interviewees indicated that this decision to use TCNs to fill key positions during the most recent wave of expansion appeared to be driven by two factors, namely the lack of Itco experience within the Irish managerial ranks and a desire to reinforce corporate culture. Thus, although the HCN managerial pool within Itco had experience of working in sophisticated MNCs (external labour market experience), corporate obviously felt that they were lacking in Itco experience. This, combined with the fact that interviewees pointed to the key role played by expatriates in diffusing corporate culture, highlights the importance placed by Itco on institutionalising corporate culture in subsidiary operations. In this regard, TCNs with significant Itco expertise appeared to represent a 'safer bet' than their HCN counterparts in engraining the corporate culture in the subsidiary operations.

Hence it would be reasonable to speculate that where MNCs place a significant emphasis on corporate culture, they may be more likely to continue to utilise PCN and TCN expatriates to set up new expansions. Further, where HCNs were hired into key subsidiary positions at this time, Itco established mentoring relationships with Itco managers in other foreign countries to ensure their socialisation into the organisation. Similarly in Logistico, a TCN occupied the site manager position of the recent expansion. However, HCN employees occupied the remainder of the key positions.

Interviewees in both Healthco and Pharmaco specifically pointed to the development of relationships and trust with HQ management in explaining the decision to staff expansions with HCN employees. Specifically the established track record they enjoyed meant that they were trusted to manage new developments within the subsidiary. In this regard the Financial Controller in Healthco noted:

When things are going well, we have a brilliant record here in the plant, we have since 1984 we have never failed to meet an update or a plan. We have always exceeded it. While each year, it seems to get tighter and tighter, we have always managed to make the changes... We really are let run the show, when everything is going well. But in other plants, in times when things haven't gone well, there certainly would be a fair [amount of corporate involvement through expatriates] involvement.

These findings lend support to the proposition that the use of HCNs and TCNs to staff senior positions in new expansions within the host country is higher where the expansion follows a wave of earlier development in that location. This appears to be linked to a proven competence of individual managers and to greater underlying trust in the competence of HCNs and TCNs based on their experience within the MNC (see above quote from Financial Controller, Healthco). Further, it appears to reinforce the significance of context and pragmatism in explaining global staffing decisions in MNCs. It also adds weight to earlier studies that pointed to the fact that the age of the subsidiary operation is inversely proportional to the extent of expatriate presence (Franko, 1973; Gong, 2003a; Harzing, 2001a). Of more significance however, is the important role played by TCN expatriates relative to the more commonly studied HCNs and PCNs, in key positions, something that is often underplayed in the literature.

In relation to our second proposition, namely the situation where MNCs have established and well-developed regional structures, we anticipated the deployment of higher numbers of TCNs in staffing the subsidiaries. Here we found that high performing and successful regional operations do appear, at least in part, to be significant in explaining the use of TCNs in staffing subsidiaries. This however needs to be qualified in that the well-established and developed regional HQ and regional structures did not seem to be the sole factor in explaining the decision to utilise TCNs.

Logistico, Ito and Pharmaco did have a well-developed regional structure, and also utilised significant numbers of TCNs in key managerial positions. As noted above we feel that these decisions were also influenced by context and pragmatism. Specifically, as the competencies required were not available within the Irish operation, HQ turned to the other foreign subsidiaries to fill positions in the subsidiary. Where this was not possible, HCNs were hired and mentoring relationships established with TCNs from other subsidiaries within the region. In contrast, both Computerco and Healthco had limited European operations other than their Irish operation and also had very limited numbers of TCNs in their Irish operations, although significantly a number of Computerco's recent expansions headed by Irish (TCN) executives appear to resonate with trends in other firms.

The fact that Pharmaco did appoint a PCN into the role of HR Director in recent years is however also a noteworthy finding. Indeed, this is an atypical appointment, in that, even in ethnocentric and Japanese (who tend to display higher levels of PCN presence in subsidiary operations) MNCs, subsidiary HR managers tend to be HCNs due to the need to be aware of local legislative and labour market issues. Pharmaco is one of the firms where the Irish operation represents the most significant operation in terms of volume and revenue generation within the corporation. The incumbent informed us that because the Irish operation had become so integral to the Pharmaco portfolio, it was decided to change the organisational structure and appoint him as the head of Pharmaco Ireland. His role was to facilitate issues around the multi-site operation there and the facilitate to performance of the Irish operations.

A final theme which we explore is the influence of staffing arrangements on subsidiary performance learning and knowledge integration. This is often under-explored in the literature (for exceptions see Gong, 2003b; Tharenou and Harvey, 2006) due to limiting discussions to a choice between PCN expatriates and HCN employees while neglecting the role of TCNs. However, as Schuler, Dowling and DeCieri (1993) posit, a mix of PCN, HCNs and TCNs can impact significantly on an MNC's ability to achieve learning, innovation and corporate integration, this represents a significant deficit in the literature. Further, Gong (2003b: 262) notes: "the current approach has largely missed the fact that a mix of staffing sources exists in many subsidiaries and that this mix itself generates compositional effects above and

beyond the effect of nationality *per se*". Indeed, a diverse composition may enhance learning and knowledge integration.

While exploring these debates was not a primary objective of the current study, we can make some provisional remarks. The primary trend we identified in this regard was in relation to the role played by PCNs and TCNs in developing the competence of local management. Respondents in Itco, Logistico, Healthco and Pharmaco all pointed to the key role played by PCNs and TCNs in mentoring HCN employees and helping them to gain the competences required to manage the subsidiary operation. A further theme which emerged was the significance of those PCNs who had been inpatriated into the HQ organisation in helping to raise the profile of subsidiary operations within the operations and building links with corporate management. Respondents in Pharmaco, Logistico and Itco all pointed to the importance of these inpatriate managers in raising the profile of the subsidiary within the MNC and more importantly in facilitating communication with corporate HQ. In a similar vein, PCN expatriates who had spent some time working in Irish subsidiaries, and who subsequently returned home, were also identified as significant in facilitating communications links with the HQ organisation.

A final area which merits discussion is the MNCs' orientation towards the use of expatriate assignments for management development. This merits discussion due to the increasing pressures placed upon traditional expatriate assignments and the emergence of alternative forms of international assignments due to cost issues around expatriate assignments, combined with performance and failure issues in expatriate assignments (see Collings, Scullion and Morley, 2007). Nonetheless there appeared to be a considerable emphasis placed on international experience in three of our case firms (Pharmaco, Itco and Logistico). Indeed, in these firms, if managers wished to be considered for promotion beyond a certain level in the organisational hierarchy they would be expected to make themselves available for an international assignment. This appears to suggest that organisations continue to place a significant emphasis on the use of expatriation for management development despite the posited pressures on international assignments and suggests that international assignees (both PCNs and TCNs) will continue to play a key role in managing MNCs global operations. This finding should however be considered with one caveat, international transfers

appeared to be generally limited to within the region, with very limited opportunity for transfers to the US or indeed beyond the EMEA region. Indeed, in a number of the firms the number of PCN expatriates in Europe appears to be declining in recent years, perhaps indicating that the evolution of staffing policies over time may not be restricted to subsidiary level but may also expand to a regional level. Thus, as managerial competence within the region builds up, HQ may be more confident in allowing managers from within the region to look after the regional operation. As noted above the management development rationale was also important in explaining the flow of TCN and HCN employees around the regional operation.

In contrast both Healthco and Computerco appeared to place a limited emphasis on the use of expatriate assignments for management development purposes. In Computerco this appeared to be driven by a desire to keep costs down although, as noted above, the fact that the company was relatively young in terms of experience at a national and global level may have been a contributory factor. Although interviewees in Healthco were not as explicit in terms of pointing to cost issues in explaining the lack of management transfers, it is plausible to argue that it may well be a key explanatory factor. While more recently the Irish operations have moved up the corporation's value chain, reflected in the shift towards the pharma portfolio, traditionally the Irish plant focused on the production of low margin medical devices. Indeed, the notion of moving employees who desired international transfers for developmental reason to host payroll in Computerco represents an innovative means of addressing the challenge of expatriate transfers in firms facing cost issues. It addresses a number of the challenges associated with traditional expatriate assignments, specifically- cost issues are clearly redressed- as are potential issues arising from pay disparity between parent and host employees in the subsidiary; in a similar vein the assignee may display a greater degree of motivation towards developing the subsidiary operation as this is where they may perceive their future.

CONCLUDING COMMENTS

In this paper we have examined the nature of international staffing in US MNCs in a specific host context. In particular, the paper highlighted the key role played by third country nationals in managing US MNCs' Irish subsidiaries. Our findings suggest that

the impact and role of TCNs has been under-explored in the literature thus far. Further the increasing import of regional strategies on international staffing at a subsidiary level emerged as a key finding. Indeed, it could be argued that the evolution from country level to regional level strategies could be linked to increasing economic integration in the European context and one could argue that the use of TCNs follows from regional strategies in terms of more lateral transfers. However, in the context of our discussions, besides European integration, there may be other explanations for regional strategies for US firms in Europe. It is well known (at least according to several anecdotes) that US firms apply a stereotyped (lack of cultural discrimination rather than ethnocentric) view of Europe as culturally homogeneous and thus may be more likely to view employees in European subsidiaries as mobile and homogenous. How these trends evolve with the accession of the growing number of central and eastern European countries to the European Union continues will be interesting to monitor.

Implications for Theory and Practice

The evidence in this paper contains a number of possible implications for both theory and practice. Firstly, our study provides further support for the notion that staffing MNCs is a complex process influenced by context and pragmatism. Further, it is apparent that in specific circumstances, specific nationalities of candidates are preferred based on the qualities they display relative to the specific role requirements in the host. For example, the production model in Computerco was considered a key source of competitive advantage to the corporation. Thus while PCN presence in the subsidiary TMT was low, PCNs played a key role at the operational level, where it was argued that their key role was non-interventionist, focusing on practical product based roles. Thus they were key in establishing production processes and embedding the corporate philosophy in that regard. Likewise in Logistico, two of the Irish subsidiaries, the multi-lingual call centre and a Consolidated Services Centre, which provided serviced customers and other operations across the region were headed by TCNs, from within the European region, reflecting their regional orientation.

Firms with a strong emphasis on building a coherent corporate culture may display a preference for utilising internally sourced PCN and TCN employees rather than

internally sourced HCNs in staffing key subsidiaries. Born global firms, or those with a limited degree of international exposure, may be more likely to hire HCNs with experience of working in firms of a similar national origin in staffing early international subsidiaries.

A related theoretical and practical implication emerges in relation to the role of the corporate HR function in the MNC. Specifically, in our literature review we noted the importance of the Scullion and Starkey (2000) framework for considerations of global staffing. However the original framework was based on research with group HR directors and our study offers the potential for the development of their framework, given our subsidiary focus. Specifically, the framework could be expanded to pay greater attention to regional international strategies as opposed to limiting the discussion to the multi-domestic versus globally integrated strategies as in the original study. Indeed, our study raises some important issues for companies pursuing regional strategies. In this regard, the primary lessons for the corporate HR function in the MNC are twofold. Firstly, at a corporate level regiocentric strategies may be as limiting as ethnocentric ones, in that the MNC may fail to source key talent outside of the home region, thus limiting the performance of the MNC through failing to adequately understand the peculiarities of regions outside of the home one and a failure to exploit the best talent within the MNC. Second, MNCs pursuing regional strategies risk a situation whereby the structure means that each region prefers to hold and 'protect' their managerial talent within the regional silo rather than risking that their key talent would be monopolised by HQ. This *silo mentality* means that key talent may never reach their potential due to a failure to allow them to progress beyond the region and potentially retarding the performance of the MNC.

Beyond these there are also a number of implications for the practice of international HR management worth considering. Firstly, our data suggest that TCNs may represent a viable option for MNCs in monitoring foreign subsidiaries, particularly when their role is supplemented by standardized and formalised managerial policies and practices and incentives such as performance related pay and bonuses. This is particularly relevant in the context of recent debates on the continued utility of the traditional expatriate assignment in the face of cost pressures, combined with increasing demand for managers with the competence to manage in the global

business environment at a time when the supply of suitably competent managers is falling (see Collings, Scullion and Morley, 2007). Specifically, the use of TCNs in particular may represent a means through which MNCs can expand the pool of managers, with company specific experience, available for international assignments.

Similarly, host country nationals with experience in working in other multinationals, particularly those of the same nationality, may also represent a cheaper source of managerial talent in the host context. Although these managers may not have company-specific experience, the know-how gained in other MNCs may usefully transfer to the subsidiary operation. This offers a potential source of managerial talent to MNCs in subsidiary operations, particularly in the context of the challenges that MNCs are facing in staffing global operations.

Finally, it appears that the MNCs in our study may have underestimated the viability of the inpatriation of HCNs and TCNs into corporate HQ as a means of socialising them into the corporate culture and of increasing the pool of managers available for international assignments. This is another option that MNCs could explore in expanding the pool of competent managers available for staffing their global operations. Indeed, all of these options are particularly relevant for firms operating in industries where cost pressures are particularly acute and who traditionally limit the utilisation of expatriate transfers due to these cost pressures.

Thus our study may help managers to re-consider their options with regard to staffing subsidiary operations, a topic which is becoming increasingly important as MNCs face significant challenges in staffing their global operations due to issues around increasing demand for traditional international assignees at a time when the pool of potential candidates is contracting (see Collings, Scullion and Morley, 2007 for a discussion). Further, our study could help managers to re-conceptualise the limitations of regional structures in MNCs in terms of failing to exploit regional talent through *silo mentalities* and a failure of HQ management to recognise talent at the regional level.

Limitations & Directions for Future Research

Although this paper represents a useful contribution to the literature a number of limitations merit consideration. Firstly, the data are primarily drawn from a subsidiary perspective and thus are lacking in a detailed discussion of HQ perspectives. This however could be considered a strength of the paper as the majority of the extant research is based on a HQ perspective- thus the present paper represents a timely addition to the literature in this regard. Further the data refer to a specific home country (the US) and a specific host (Ireland), thus the extent to which the findings can be generalised to firms of other nationalities in different hosts is questionable. Finally, the generalisability of the findings could be questioned given the small sample size. A breadth of perspective was however consciously sacrificed by the research team with the express purpose of exploring in depth the HRM policies and practices of a number of specific firms. The firms were also chosen on the basis of sector, size and other organisational factors, which means that they represent a good cross section of the US MNC sector in Ireland.

The study also points to a number of avenues of potential enquiry. Firstly, the impact of regional organisational structures on international staffing in MNCs has not been explored to any significant degree in the literature and this represents an area where potential for further study abounds. In this regard, integrated studies which combine analysis at different levels within MNCs (ie global, regional and national) and which integrate analysis of subsidiary strategy and international staffing strategies would be particularly welcome. Further, we argued above that regional structures could lead to *silo mentalities* whereby MNCs fail to fully exploit their managers outside regional silos as management within regions protect their key regional talent. The extent to which this applies to firms which are structured by strategic business units would also be an interesting line of enquiry. Further, the study could usefully be replicated with reference to MNCs of other nationalities and in different host contexts.

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BOX 1 - The Case Study Firms

Pharmaco is one of the world's top pharmaceutical firms. It was established in the US in the nineteenth century and expanded abroad in the 1950s. It currently boasts global employment levels of 120,000 and annual revenues in the region of US\$50 billion. Its first Irish operation was established in the 1960s and it now employs approximately 2000 people in Ireland at a number of sites. Initial site established in Ireland on a unionised basis. More recent establishments operate on a non-union basis.

Healthco manufactures pharmaceutical, medical and diagnostic products. It was established in the US in the late nineteenth century and expanded abroad in the late 1930s. It has global revenues of US\$16 billion and employs some 70,000 people worldwide. It opened its first Irish manufacturing operation in the mid 1970s and currently employs some 2000 people at a number of Irish sites. Initial site established in Ireland on a unionised basis. More recent establishments operate on a non-union basis.

Itco was incorporated in the US in the early 1900s and in 2003 had global revenues of US\$89 billion and employed well over 300,000 people worldwide. It operates in the information and communications technology (ICT) sector. While having a sales presence from the 1950s, *Itco*'s Irish operations remained quite small up to the mid 1990s, when it established an international technical support and customer service and, soon after, a large production facility. Total employment in Ireland is currently in the region of 3,500 spread across a number of sites. All Irish sites are staunchly non-union.

Logistico was founded in the early 20th century in the US and is one of the world's leading distribution and transport corporations. It currently operates in 200 countries, employing over 370,000 workers and boasting global revenues of some US\$30 billion. *Logistico* has three primary operations in Ireland. It established in Ireland in the early 1990s, with the other centres opening in the mid and late 1990s respectively. Total Irish employment amounts to some 1,000 people. Initially all sites established on a non-union basis. Limited recognition recently agreed in a number of sites.

Compuco was established in the US in the early mid 1980s, boasts global revenues in excess of US\$41 billion and employs approximately 53,000 people worldwide. It manufactures and sells computer hardware. It established its first European manufacturing operation in Ireland in the early 1990s and currently has a number of Irish sites, employing more than 3,000 people. All Irish sites are staunchly non-union.

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ⁱⁱ This article draws on the Irish node of an international study of employment relations and HRM in MNCs, co-ordinated by Professor Anthony Ferner. This study involves a large number of researchers from De Montfort University and King's College, London, UK, the Universities of Trier and Erfurt, Germany, IESE Business School, Spain and the University of Limerick, Ireland. The Irish study is supported by the University of Limerick Research Office, the Irish Research Council for the Humanities and Social Sciences and the Labour Relations Commission.

ⁱⁱⁱ As a reviewer noted, the term *in-patriate* actually refers to a category of expatriate staff and could be considered to represent an ethnocentric view in firms from dominant markets. Nonetheless, given its established use in the literature we use it to represent the transfer of foreign nationals to the HQ organisation on a permanent or semi-permanent basis.