



ARTIGOS

**DOES EXIST A WAY TO MANAGE HR IN PORTUGAL? AN ANALYSIS FROM GERMAN
MULTINATIONALS HRM PRACTICES****Pedro Cardoso¹, Carlos Madeira¹, Ana Paula Rodrigues¹****1- University of Trás-os-Montes e Alto Douro****ABSTRACT**

Multinationals have operating problems due to the multiple contexts in which they operate. One of the greatest challenges for these organizations is the management of the cultural diversity of their human resources, in the sense of creating a collective of work capable of meeting the goals of the new economy. In Portugal, of the most represented countries at the level of their multinationals, Germany is the one that has a more antagonistic culture when compared with Portuguese culture, not preventing a multiplicity of successful cases. This paper firstly aims to characterize the HRM practices used in the Portuguese subsidiaries of the German multinationals and to see if there is a pattern in these same practices, trying to find out the "how" German companies manage with productivity the Portuguese human capital. The results dictated the existence of a pattern used in practices and a clear focus on human resources, identified by a clear approach to HRM soft model, without neglecting the importance of achieving the goals, improving empowerment, knowledge, skills and motivation.

Keywords: Multinationals (MNCs), Human Resource Management (HRM), Portugal

Submetido em 01 de Julho 2017

Aprovado em 27 de Outubro de 2017

Sistema de avaliação doble blind review

INTRODUCTION

Globalization has made the world flat (Friedman, 2005) providing companies the exploration of new markets, arising a growing number of cooperative alliances, mergers, acquisitions, and, naturally, multinational corporations (MNCs) (Mayrhofer & Brewster, 2005).

The internationalization of the Portuguese economy underwent a decisive boost with the country's accession to the European Community (EC) in 1985. Entry into the EC brought a significant acceleration of foreign direct investment (FDI) in Portugal, as demonstrated by the fact that in the first five years of integration (1986-1991), the FDI has a growth of more than 1000% (Mateus, 1992). In recent years, the European Union continues to be the main source of FDI in Portugal in cumulative terms, with a share of 87.5% at the end of 2016, notably Spain, France, the Netherlands, Germany, the United Kingdom United Kingdom and Luxembourg (BP, 2017), culminating in the arrival of countless multinationals to our country.

Of the countries with the highest FDI accumulated in Portugal, we highlight Germany, which in addition to generating

20.7% of the GDP of the European Union is still the largest European market, and the fourth most competitive economy in the world, according to the Global Competitiveness Index - 2015/2016 published by the World Economic Forum (Schwab & Sala i-Martin, 2015), contrasting with position 38 that Portugal occupies. The importance of this country to the Portuguese economy is still visible in the number and quality of German multinationals operating in Portugal. A "success story" of German companies in Portugal, attested by the presence record in Portugal, its importance in the creation of value and the degree of satisfaction that the German entrepreneurs manifest by being in Portugal (CCILA, 2010), raise some questions in particular from the management and HRM point of view, about how these companies, being part of a country with levels of productivity that fall short of the desired one, are able to be globally competitive.

According to Giardini, Kabst & Müller-Camen (2005), in the light of institutional theories the transfer of management philosophies, especially those related to HRM, become very difficult because the companies have to reflect the cultural, social and political environment of their country. When MNCs' managers try to export their organizational

practices to subsidiaries around the world the results fall short of the desired ones, making it a challenge for these companies to find suitable practices for its subsidiaries (Ismail, 2010).

This is even more relevant when comparing the values of the German national culture with the Portuguese national culture, we perceive that they are practically antagonistic, having repercussions on the implementation of organizational culture (Hofstede, 1980, 1984, 1991, 2011) and therefore in HRM practices (Mayrhofer and Brewster, 2005). However, when analysing the literature we perceive a significant gap in the identification of the challenges and opportunities of the German Multinationals or even of any other geographic origin, in the implementation of its subsidiaries in Portugal, especially from an HRM perspective.

With this article we intend to, at first, to characterize the HRM practices used in the Portuguese subsidiaries of German multinationals and, second, to understand whether there is a pattern in the same practices, capable of becoming the first draft of what we might call a Portuguese HRM.

Due to the limited information on the subject under study, an exploratory research was carried out, with four case studies, all of them German multinationals working in Portugal, through semi-structured interviews with the CEO or HR Director trying to understand which HRM practices they use and why they use them.

The paper starts with the theoretical framework about multinationals evolution, in particular the German multinationals in Portugal. Then we introduce the topic of natural differences as key factor in HRM and what is the body of knowledge of HRM in Portugal. After the explanation of the research methodology we present the results and conclusions.

THEORETICAL FRAMEWORK

THE "DRAMA" OF MULTINATIONAL EVOLUTION

In recent decades, and by action of the integration of capital markets, we have seen an increase in the number of multinational corporations from about 80 000 in 2006 (Ghemawat & Pisani, 2013), to 100,000 in 2016 (UN, 2017), a growth of 25% in 10 years. The foreign subsidiaries of MNCs is still expanding and by the end of 2016 its number was 860 000. Some indicators of the activity of this foreign affiliates shows their

strength, for example, during the period 2014-2016 there was a 12,3% increase in sales, 13,59% in value added (product) and 8,7% in employment (UN, 2017).

This phenomenon has awakened the curiosity of researchers to understand this complex form of organization and the opportunities and obstacles to manage the diversified workforce with the goal of increasing overall organizational performance (Aljayi, Fjer, Guennioui&Tamek, 2016).

MNCs understood as any "company that carries out transactions in or between two sovereign entities, operating in a decision-making system that allows the influence on the resources and capacities, where the transactions are subject to influences of exogenous factors to the context of the country of origin" (Sundaram & Black, 1992:733), they have had in institutional theory (Meyer & Rowan, 1977; DiMaggio & Powell, 1983), which understands that organizations are open systems moulded by the environment in which they are embedded, the theoretical support capable of explaining how the process of adaptation of an MNCs develops in a different environmental reality.

For DiMaggio & Powell (1983) there are a set of constraints that force organizations that are in the same organizational environment to behave identically, what they called isomorphism. Thus, in this adaptation process organizations are confronted with three types of isomorphism: coercive in which there are environmental pressures, mimetic in which the pressure translates into imitation of other organizations' behaviour, and normative in which pressures come from professional associations.

The evolution of MNCs was characterized by Perlmutter (1969: 9) as "the drama in three acts" and "tortuous", underlining the difficulty of this whole process. The author understands that there are three types of headquarters orientation toward subsidiaries in an MNC's development resulting there from three types of organizational approaches: ethnocentric, polycentric, or geocentric, assuming that although there are three attitudes to different degrees it is likely that one of them is predominant. Managing with an ethnocentric attitude assumes that what works in the host company will also work in the subsidiary company. Managing with a polycentric attitude assumes that each subsidiary must find what works in the context in which it operates. Management

with a geocentric (or global) attitude is based on the principle that each subsidiary must work towards local and global objectives.

The way in which MNCs evolve, namely how they manage diversity, i.e. the identification of new and efficient ways of capitalizing on the cultural potential available to them by the local employees of the subsidiary companies, is essential to get a dominant competitive position (Badea, 2013; Dupuis, 2014).

THE GERMAN MULTINATIONALS IN PORTUGAL

By 2014 there were 5 521 subsidiaries of foreign companies in Portugal and employing around 364 000 people, with 75% of foreign subsidiaries having their decision center in a European Union country, with Spain being the most represented country with around 27.2% of the total number of subsidiaries. These companies were also responsible for 23.2% of turnover and 21.8% of gross value added (GVA), compared to the total value generated by all non-financial corporations in Portugal (INE, 2015).

Germany ranked as the 4th country of origin of the control of foreign subsidiaries in Portugal, controlling about 7.8% of the subsidiaries and accounting for 16.2% of the

total GVA generated by all foreign subsidiaries in Portugal, leading the Industry and Energy sector with 24.5% of GVA (INE, 2015). We can also highlight that 76% of companies are generally satisfied with the results of commercial investment (CCILA, 2010).

In 2010, almost a third of the German multinationals operating in Portugal had more than 250 employees, looking for core competencies as the ability to find solutions, work as a team and customer orientation. The most represented sector (60%) is Industry, the result of the establishment in the country, mostly in the 80's and 90's, of companies focused mainly on exports, 24% are in commerce and 16% in services.

NATIONAL DIFFERENCES AS KEY FACTOR IN HRM

Human Resources Management as a concept "born" in USA academic circles when Fombrun, Tichy&Devanna (1984) and Beer, Spector, Lawrence, Mills & Walton (1985) bring a new perspective about the human relations in organizations.

The "hard" model developed by Fombrun et al. (1984) assumes that people are a means to an end. The "soft" model of Beer et al. (1985) is more humanistic, people are

different from other resources and cannot be seen and analyzed in the same way as an equipment or a number. These is the reason of antagonism and ambiguity that surrounds HRM in practice (Price, 2011).

The model "hard" is associated with intensive work, the practices of low wages, insecure feeling at work, tight control, setting short-term goals, reduced concern for the human being behind the worker, resulting in low levels of participation and commitment by workers (Wilton, 2011).

The "soft" model finds its roots in Resource-Based View Theory, which understands that internal resources are the main source of competitive advantage (Penrose, 1959; Wernerfelt, 1984; Barney, 1991), providing the theoretical foundations that not only human resources can be a source of sustainable competitive advantage (Schuler & MacMillan, 1984; Pfeffer, 1994), as well as human resource practices have the potential to become key components of a company's overall strategy (Werbel&DeMarie, 2005). In this sense, people will have to be managed in a way that ensures that only the best are selected, that they are given appropriate training, merit is rewarded, and look for their commitment to the organization, in Long-term perspective management. This

approach gives priority to a positive relationship between employee and employer, based on mutual trust, developed through participation and involvement in decision-making processes, employee empowerment, teamwork and collaboration (Druker et al., 1996; Wilton, 2011).

This "pioneering" brings the hegemony of US conceptions of HRM and gives legitimacy to the US version of HRM, and saw the practices derived from these models being increasingly adopted in Europe (Fenton-O'Creevy, Gooderham & Nordhaug, 2005; Mayrhofer & Brewster, 2005).

Despite this strength, many scholars shows that the US model assumptions about the nature of HRM is inappropriate for Europe (Guest, 1994; Mayrhofer & Brewster, 2005; Brewster,2007), because national differences remains a key factor in HRM (Mayrhofer & Brewster, 2005).

The literature shows that it is difficult to import US HRM practices into Europe and it is also difficult to find a European model of HRM, because the European approach under-emphasize the level at which such differences are most cogent, the national level (Mayrhofer and Brewster, 2005).The legal, social, political and cultural environment of European countries,

constrains (or supports) them, limits the unchanged application of HRM ideas (Giardini, Kabst & Müller-Camen, 2005).

Although it is very tempting to find a European model of HRM, in the sense of opposing the US model and the Japanese model, a number of studies shows the differences between various aspects of HRM in European countries which reflects at the same time the national origins of the MNCs and the national context (Brewster, Mayrhofer & Morley, 2004; Myloni, Harzing & Mirza, 2004; Savaneviciene & Kersiene 2015).

HRM IN PORTUGAL

In Portugal, the role of HRM has undergone a profound evolution in the last years characterized by a growing concern with the management of skills and knowledge and the active role of human resources in competitiveness and excellence (Neves (Rego et al., 2015), but it seems to be too many social, political, social, and organizational blocks to prevent The development of people-centered interventions in organizations (Moura, 2000).

At the beginning of the 21st century, the characteristics that shaped relations in organizations in Portugal were still poorly

understood, both from a theoretical and practical point of view, so that a typification could be used to act at the organizational level, although it is possible to conclude that many examples of successful management associated with human resources were not visible (Moura, 2000), a failure that seems to continue at present, since in 34 countries studied, Portugal is the fourth country with the greatest insecurity in the labor market and the 8th worst in the quality of the work environment (OECD, 2016). The few data that we have to define the practices of HRM practiced in Portugal result from the group CRANET, an international research network that regularly conducts a survey of HRM issues, although the data refers to the year of 2000, the last time that Portugal was part of this group (Rego et al., 2015). Thus, the source of recruitment is based on personal knowledge, being personal interview the main selection technique; on the other hand the promotion of organizational commitment is not a central objective of HRM, being the commitment less organizational and more to the leadership. The study concludes by stating that management culture in Portugal does not provide the best conditions for the adoption of modern management attitudes such as teamwork, autonomy and openness.

Some of the distinguishing features of HRM in Portugal are high power distance and uncertainty avoidance, collectivism, feminine and short-term culture (Hofstede, 1980, 1984, 1991, 2011). Teamwork is undervalued by a leadership that is autocratic due to high values of power distance. This results in absolute control on the part of the leader over all decisions of the company, and the consultations of the opinion of the group members are infrequent (Cunha, 2005). According to Lopes (2010), this is the great anathema that prevents the competitiveness of Portuguese organizations, which is paradoxical since we do not take advantage of our capacity to work as a team, as supported by the high values in collectivism dimensions. From Portuguese culture emerge the weak planning skills, which seems paradoxical given the high uncertainty avoidance and the feminine characteristics of Portuguese culture (Cunha, 2005; Lopes, 2010). Lopes (2010) states that Portuguese culture is strongly adaptive, having as strengths the appetite for improvisation and individual creativity, emphasizing that managing the Portuguese culture is not an easy task.

According to Rego et al. (2015), HRM in Portugal approaches the Anglo-Saxon model in a wide range of activities, such as the

majority use of monetary incentive systems indexed to individual and organizational performance, individualized, direct and more frequent communication between employees and employers, with the new technologies playing an active role, and the introduction of performance management processes that are applicable to different categories of organization members.

RESEARCH METHODOLOGY

Since the study was an exploratory one, we opted for a qualitative research in order to perceive the context and the functioning of real organizations, using as empirical investigation the case study which is indicated in situations where the key investigation question it is an “how” type (Yin, 2002).

INVESTIGATION GOALS

There is very little scientifically based information showing how German multinationals manage Portuguese subsidiaries so this research will have an exploratory character. Thus, the main goal of this paper will be to characterize the HRM practices applied in German MNC subsidiaries in Portugal and to understand if there is a standard of performance in these companies.

SELECTION OF CASE STUDIES

The case studies were selected in order to meet the research objectives. Given the exploratory nature of our work and with the support of the German Chamber of Commerce, we were able to establish contact with 4 subsidiaries and interview the HR Director (3 cases) or the CEO (1 case) in each of them. All these subsidiaries have been working in Portugal for several years (between 25 and 50 years), in industry sector as production units, have between 180 and 517 human resources and belong to German economic groups that are well established on the international scene, and can fall into the realm of what we can catalogue as successful cases both in Portugal and in the rest of the world. The interviewed directors have between 1 and 25 years of seniority in the company, between 30 and 59 years old and all of them are high educated.

DEFINING CATEGORIES OF ANALYSIS

We supported the set of categories in the work of Liu et al. (2007). These authors' elaborated a meta-analysis of the published papers in the journals of the specialty that show the relation of the practices of HRM and the organizational performance. From these 92 studies, which involved more than

19,000 organizations, Liu et al. (2007) found HRM practices that, according to them, affect more than one of the three processes (increasing KSAs, motivation, empowerment) and have a proven positive impact on the performance of organizations. These practices are the ground base of our categories to characterize the HR practices implemented at the studied MNC's subsidiaries. We introduced more categories because will help to a better understanding how some human resources practices are interconnected.

Selection is defined as the systematized processes that helps identify people with the right set of knowledge, skills and abilities that fit the task and the organizational environment of the company. Interviews, competency and cognitive skills tests, and follow-up studies of recruitment sources are an integral part of this HR practice.

The training and development practice is defined as the amount of formal training given to workers. Training may focus on company-specific policies and procedures, task-related skills or leadership and social skills (Liu et al., 2007).

With regard to the compensation level, Liu et al. (2007) argue that attractive

compensation helps companies create the reputation of good employers, which subsequently attracts or retains the best workers, influencing their organizational performance.

Although not reported by Liu et al. (2007) as an HR management practice that increases the organizational performance of organizations, the benefits offered by companies are often related to the remuneration policy and the incentive system, being a competitive factor in the labour market. A System of Benefits can be considered as a set of programs / plans offered by an organization as a complement to the remuneration system. The benefits system can improve workers' quality of life, organizational climate, reduce absenteeism and turnover, increase productivity levels and facilitate HR recruitment.

The performance appraisal practice can be focused on results or behaviour. Behaviour-based appraisal focus on the behaviour that the worker needs to do his job effectively. Results-based appraisal focus on the consequences of this behaviour and usually produce quantifiable information. Behaviour-centered appraisals are most effective for routine tasks.

For the authors, incentive compensation drive motivation because it strengthens the relationship between the worker's performance and the reward. The incentive compensation system must be in line with the other HR practices and the company's strategy.

The origin of the setting goals category is a natural consequence of performance appraisal and incentive compensation categories, since both are related to the use or non-use of management by goals. It is thus important to better understand the functioning and interconnection of the company's HR management practices, to understand how the staffing and production goal are managed.

The authors point out that internal promotion practices help workers to create clear expectations about their future, motivating them not only to perform well in the positions they hold, but also to develop their skills and abilities for future positions.

Workers' participation puts them in a position of proactive influence on how their work is done, giving them the ability to identify and correct problems. This participation supports the constant innovation effort (Liu et al., 2007).

The authors continue to argue that flexible working hours such as part-time work, job sharing, compressed work weeks, telecommuting and other flexible arrangements allow workers greater control over their schedules, contributing to work-family balance.

Grievance procedures provide a formal vehicle to the worker's voice, helping them in the effort they can make to change a job dissatisfaction situation. These procedures empower workers by offering them a way to resolve disagreements with their managers or other workers (Liu et al., 2007).

Liu et al. (2007) argue that policies that privilege employment security align workers' interests with the long-term goals of the organization. Committed workers have greater devotion to the vision and goals of the organization. A stable relationship between the organization and the workers helps them to develop long-term perspectives and a broad view of their work, enabling them to seek solutions to problems outside the action limits of their tasks.

INSTRUMENT – SEMI-STRUCTURED INTERVIEW

The semi-structured interview was used as the data collection instrument and script

was elaborated in order to meet the research goals and was based on the meta-analysis elaborated by Liu et al. (2007). The HRM practices referenced by the authors gave rise to the interview questionnaire and later to the content analysis categories of the interviews.

DATA PROCESSING - CONTENT ANALYSIS

In order to analyse the data, we use the technique of content analysis, based on Bardin (1995). In this sense, we defined categories that meet the research goals and they are sustained on a theoretical basis. Thus, an analysis was developed that tries to characterize, through the interview data, the HR management practices applied by German MNC subsidiaries in Portugal.

The categories were defined based on the research of Liu et al. (2007), which bases the HR management practices that improve organizational performance. For each category were also defined their indicators that allow the presence or absence of these categories to be detected in interview transcripts.

Table 1- Categories analysed, based on Liu et al (2007)

Categories			
Selection; Performance appraisal; Setting Goals;	Compensation Level; Incentive Compensation; Benefits System;	Training and Development Policy; Internal Promotion;	Participation; Flextime; Grievance Procedures; Commitment;

PRESENTATION AND ANALYSIS OF RESULTS

Table 4 summarizes the results of the analysis of the interview content in the light of the defined indicators. The results show the presence of all categories in the 4 study cases, with a great homogeneity in the typology of response to the interview questionnaire, which opens the possibility of a standard in the HRM practices applied by the subsidiaries of German multinational companies in Portugal.

There are two channels of recruitment and selection in the multinationals studied, the external one, often through temporary work agencies, and the internal one, with the opening of new positions within the company, which allows the maintenance of the family nucleus of the company's workers valorisation, as evidenced by internal promotion policies. For Brown, Forde, Spencer & Charlwood (2008), the satisfaction with the compensation level is greater in contexts of work that promote their internal collaborators. It was also verified in our study that, rather than

appraisal technical skills, it is important for these companies to validate the new workers behaviour. This approach is in line with Goleman's (1998) conclusions and later corroborated by Heckman & Kautz (2012), who assert that these competencies contribute to and increase the likelihood of success of individual careers and organizations. Goleman (1998), in his seminal work, goes even further by pointing out that relational skills would weigh 70% on effectiveness, while cognitive and motor skills would weigh only about 30%.

Performance appraisal system are in line with the goals established in the company, which are also considered by Câmara (2006), are individual, global (quantitative and qualitative) and always in a development perspective, with intermediate meetings in order to correct trajectories. Gruman and Saks (2011) argue that in order for employees to feel comfortable expressing what they feel, they must trust that the organization and its managers treat them fairly, thereby increasing their involvement with the organization.

Table 2 - Summary of Results

Categories	Summary of Results
Selection	Concern about behaviour validation; Internal disclosure maintains “family nucleus”; Internal and external recruitment; The production units look for temporary work.
Performance appraisal	Alignment with goals; Overall appraisal (quantitative and qualitative); Appraisal meetings to correct trajectories; Individual appraisal; In one case, there are monthly appraisals to relate to the monthly production incentives.
Setting Goals	Definition of staff goals based on headquarters goals (negotiated); Definition of production line goals without negotiation; Logic of company – department – individual; One case does not define goals for production line.
Compensation Level	Concern about keeping the company competitive by paying the industry average (one case pays above the industry).
Incentive Compensation	Meritocracy principle; Interconnection with performance appraisal; Interconnection with individual and company goals; One case does not have incentive compensation.
Benefits System	They consider a main benefit the job security they provide as an employer (low turnover). In all cases there is a great concern for the physical, psychological and family well-being of workers.
Training and Development Policy	There are annual training plans tailored to the company’s needs; Always in the logic of the worker personal development; Focus on soft-skills development (external training); Existence of group of internal trainers; Logic of knowledge and experience sharing; One case is a certified “training entity” (internal training academy); Formal processes in all cases.
Internal Promotion	In all cases there is the favouring of the internal promotion policy; There is a policy of valuing domestic products; Vacancies are opened internally.
Participation	Workers are encouraged to demonstrate improvements in productivity, efficiency, safety, etc..., or waste reduction. Award of proposals (monetary or symbolic).
Flexitime	No flexitime in production line (shifts) Flexitime in staff; High concern about meeting schedules and balance with family life.
Grievance Procedures	Available IT tools, suggestions box... Incentive of the problem oralization; Transparency logic in problem solving; Use of performance appraisal meetings to address potential problems; All cases recognized the difficulty in managing this issue.
Commitment of Workers	Company reputation; Low turnover; Socially correct and adult company behaviour; Concern about the people development; Concern with the workers’ family.

The individual goals, both for staff and for production line, derive from the general goals negotiated between the subsidiary and the headquarters, in a company-department-individual logic. In this particular case, Drucker (1954), a great mentor of management by goals, argued that negotiating goals between employer and employee was essential if these goals were to be achieved. Although there was an openness to the negotiation of the staff goals, this was not the case in production line.

Regarding the compensation level, it was evident the concern with the maintenance of the company competitiveness, not preventing that the salaries are in the average or above to those practiced in the sector of activity. It should be noted that Pfeffer (1998) understands that paying above average competitors, while contingent on company results, would be one of seven high performance HRM practices that organizations should adopt.

The meritocracy principle dominates the incentive system, which is linked to the performance appraisal and also to the individual and general goals, which Chambers (2006) intends to be part of an effective compensation system.

The reduced turnover is considered by the companies studied as the main benefit given to their workers, through the security they transmit, at a time where the Portuguese labour market's security has been decreasing in recent years (OECD, 2016). There are studies that argue that a high turnover rate has implications for the company's results (Schuler & Jackson, 1987; Sun, Aryee & Law, 2007), because of the costs associated with recruitment and selection, training, development Skills, and productivity loss, this is at least initially (Tracey & Hinkin, 2008). On the other hand, safety at work, through a national culture marked by a high index of uncertainty control, is much to the liking of the Portuguese (Hofstede, 2011).

In all the companies was a concern the well-being of its workers and the balance of the work-family binomial. This concern is mirrored in the hourly flexibility that companies try to implement, although in production units that work in shifts, it is impossible to flexibilize the production line. There is, however, an effort not to overload the workload of workers. According to Lyubmirsky, King & Diener (2005) the well-being of workers benefits their performance in the labour market. The existence of the possibility of flexibilizing working hours seems to help to experience greater work

enrichment, which is associated with greater job satisfaction and lower intentions of change (McNall, Masuda & Nicklin, 2009), as evidenced by the low values of turnover in the subsidiaries studied.

The emphasis of training and development policy is on the training of the worker, in terms of soft skills (as we saw previously, along the lines of Goleman (1998) and always in a logic of circulation and sharing of knowledge and experience. Despite the individualized plans, these are closely related to the needs of the company. This logic goes in the direction of the creation of the organization that learns, in the words of Senge (1990). The author understands that with the constant turbulence of the contexts where organizations operate, they will have to transform themselves in order to improve their learning capacity. According to the author, companies learn through the individual learning of their collaborators. However, the collective learning of the organization is not the individual sum of the learning, but the ability to transform that individual learning into a collective learning (that is, at all levels of the organization).

The promotion of workers' autonomy, from the point of view of Drucker (2000), which determines the productivity of the knowledge worker, through monetary or

symbolic incentive, so that they can think about their work and suggest improvements, is a common practice in subsidiaries of the case studies.

Giving voice to workers is a present and materialized concern through the introduction of various mechanisms and procedures such as information technology tools, suggestions box, etc... Transparency and the encouragement of the problematization prevail in these procedures. However, it was recognized by the managers interviewed the difficulty in managing this type of subject in their companies. According to Hofstede (1984, 1991), the oralization of a problem is difficult in a context of high hierarchical distance of Portuguese culture, a difficulty that is accentuated when it is communicated in an indirect way, typical of a collectivist society such as the Portuguese one.

In the subsidiaries studied, the workers' commitment is achieved through a set of factors such as the company's reputation, low turnover, concern with the development of workers and concern for their families. Workers' perception of organizational support (in relation to family) is positively associated with employees' affective commitment, fostered by both work-family and family attitudes (Wayne, Casper,

Matthews & Allen, 2013). This organizational support approach assumes that by meeting socio-emotional needs and demonstrating the organization's readiness to reward increased effort, employees form general beliefs about how much the organization values its contribution and cares about its well-being (Rhoades, Eisenberg & Armeli 2001). In responding to collectivism and workers' safety needs, the subsidiaries are in line with what claim Bal, Bozkurt & Ertemsir (2014), that companies can raise the levels of organizational commitment of their workers by using HRM practices according to the expectations of its employees, developing the feeling that they are the most important organization resource.

It is important to remember that the practices evaluated in the subsidiaries are formalized, with procedures and processes defined for their execution. Only in one case was this formalization still in progress, but it did not prevent the use and application of these practices, which according to Liu et al. (2007) are positively related to the increased performance and effectiveness of organizations.

CONCLUSIONS

The investment in people by the organizations studied is notorious, demonstrated by the fact that all practices are present in a consistent and robust way. This pattern of how the practices are thought and executed suggests an approach to HRM soft model, reflected in some practices such as hourly flexibility, commitment and autonomy of workers, not neglecting the importance of achieving the company's objectives.

The presence of all HRM practices evidences the existence in the organizations of an HRM planning, which according to Liu et al. (2007), works with a gathering element of three clusters of practices: those that improve empowerment; KSA; and motivation.

We can observe the isomorphism effect (DiMaggio & Powell, 1983) in studied MNCs. The HRM practices implemented are influenced by country of origin, by the operational context and by the best practices, which are adapted to the context. We can also conclude that there is a geocentric approach (Perlmutter, 1969), where each subsidiary works in function of global and local goals, and there is an openness to a local adaptation of institutionalized practices and processes at the company headquarters.

The aim of the study is to characterize the HRM practices present in the Portuguese subsidiaries of successful German multinationals, that is to say, to understand the "how", these practices are carried out in what may be called the more tactical side of HRM. This characterization may be interesting to serve as a guideline for HRM professionals working in Portuguese companies whose management of people has historically been referred to as one of their "Achilles heel" (Moura, 2000; Lopes, 2010, 2012 ; Barroso, 2016).

As limitations of this investigation, we have the fact that all the case studies analyzed in this investigation are units of production, with their specificities in the level of human resources management. For this reason, and also due to the small number of firms observed, it is necessary in the future to use a significant sample, so that the conclusions of this study can be generalized. On the other hand, another of the limitations lies in the fact that in this investigation only the discourse of the company leadership has been analyzed, lacking the confrontation with the employees' perceptions.

This study also opens up a whole set of possibilities for future research. On the one hand, we can see if, by replicating our study applied to MNCs, present in Portugal, from

different cultural realities, the results approximate those obtained by analyzing the German MNCs.

BIBLIOGRAPHIC REFERENCES

- Aljayi, Y.; Fjer, A.; Guennioui, M.; Tamek, A. (2016). Multinational companies' human resource management practices' and their organizational culture impact on employees' loyalty: Case of Japanese multinational company in Morocco. *Procedia - Social and Behavioral Sciences*, 230, 204 – 211
- Badea, M. (2013). Cultural influences in Human Resources. *Review of General Management*, 17 (1), 179-187.
- Bal, Y., Bozkurt, S.; Ertemsir, E. (2014). Determining the Influence of HRM Practices on Increasing Organizational Commitment: An Empirical Research from Turkey. In *Human Capital without Borders: Knowledge and Learning for Quality of Life; Proceedings of the Management, Knowledge and Learning International Conference*, pp. 1025-1033.
- BP (2017). *Boletim Estatístico 1 / 2017*. Lisboa, Banco de Portugal Eurosistema.
- Bardin, L. (1995). *Análise de Conteúdo*. Lisboa, Edições 70.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17 (1), 99 – 120.
- Barroso, M. M. (2016). Desigualdades ocupacionais na dimensão relacional do trabalho. *Observatório das Desigualdades e-Working Papers*, N.º 1/2016, ISCTE-IUL, CIES-IUL.
- Beer, M., Spector, B., Lawrence, P., Mills, D. Q.; Walton R. (1984). *Managing Human Assets: The Ground-breaking Harvard Business School Program*, New York The Free Press.
- Brewster, C. (2007). Comparative HRM: European views and perspectives. *International Journal of Human Resource Management*, 18, 769-787
- Brewster, C.; Mayrhofer, W.; Morley, M. (Eds.) (2004). *Human Resource Management in Europe. Evidence of convergence?*. Butterworth-Heinemann, Oxford.
- Brown, A., Forde, C., Spencer, D.; Charlwood, A. (2008). Changes in HRM and job satisfaction, 1998–2004: evidence from the Workplace Employment Relations Survey. *Human Resource Management Journal*, 18(3), 237-256.
- Câmara, P. B. (2006). *Os sistemas de recompensas e a gestão estratégica de recursos humanos*. 2ª Edição. Lisboa. Dom Quixote.
- CCILA (2010). *Empresas alemãs em Portugal: Clima empresarial e factores de sucesso*. Câmara de Comércio e Indústria Luso-Alemã
- Chambers, C. (2006). Each outcome is another opportunity. Working paper Series n SJ001, Oxford, Centre for the Study of Social Justice.
- Cunha, M.P. (2005). Adopting or adapting? The tension between local and international mindsets in Portuguese management. *Journal of World Business*, 40, 188-202.
- DiMaggio, P. J.; Powell, W.W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48, 147-160.
- Drucker, P. (1954). *The Practice of Management*. New York, Harper.

Drucker, P. (2000). *Desafios da Gestão para o Séc. XXI*. Civilização Editora.

Druker, J., White, G., Hegewisch, A.; Mayne, L. (1996). Between hard and soft HRM: human resource management in the construction industry. *Construction Management & Economics*, 14(5), 405-416.

Dupuis. J.P. (2014). New approaches in cross-cultural management research. The importance of context and meaning in the perception of management styles. *International Journal of Cross Cultural Management*, 14 (1), 67-84.

Fenton-O’Creevy, M; Gooderham, P.A.; Nordhaug, O. (2005). Diffusion of HRM to Europe and the Role of US MNCs: Introduction to the Special Issue. *Management Revue*, 16 (1), 5-10

Fombrun, C.J., Tichy, N.M.; Devanna, M.A. (1984) *Strategic Human Resource Management*. New York, Wiley.

Friedman, T.L. (2005). *The World is flat: a Brief History of the Twenty-First Century*. New York, Farrar, Straus and Giroux.

Ghemawat, P.; Pisani, N. (2013). Are multinationals becoming less global?. *Harvard Business Review*.

Giardini, A.; Kabst, R.; Müller-Camen, M. (2005). HRM in the German Business System: A Review. *Management Revue*, 16(1), 63-80.

Goleman, D. (1998). *Working with Emotional intelligence*. Bantam.

Gruman, J. A.; Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review*, 21(2), 123-136.

Guest, D. E. (1994). Organizational Psychology and Human Research Management: Towards a European Approach. *European Work and Organizational Psychologist*, 4(3): 251-270.

Heckman, J. J.; Kautz, T. (2012). Hard evidence on soft skills. *Labour economics*, 19(4), 451-464.

Hofstede, G. (1980). Culture and organizations. *International Studies of Management & Organization*, 10(4), 15-41.

Hofstede, G. (1984). Cultural dimensions in management and planning. *Asia Pacific Journal of Management*, 1(2), 81-99.

Hofstede, G. (1991). *Culturas e organizações: compreender a nossa programação mental*. Edições Sílabo.

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

INE (2015). *Estatísticas da Globalização 2010-2014*. Instituto Nacional de Estatística.

Ismail, A. H. (2010). *Cultural influences on human resource management practices; Implications for Arab subsidiaries of multinational enterprises*. University of Illinois Doctoral Dissertation.

Liu, Y., Combs, J. G., Ketchen, D. J.; Ireland, R. D. (2007). The value of human resource management for organizational performance. *Business Horizons*, 50(6), 503-511.

- Lopes, A. (2010). A cultura organizacional em Portugal: de dimensão oculta a principal activo intangível. *Gestão e Desenvolvimento*, 17-18, 3-26.
- Lopes, A. (2012). *Fundamentos da Gestão de Pessoas – Para uma síntese epistemológica da iniciativa, da competição e da cooperação*. Lisboa, Edições Sílabo.
- Lyubomirsky, S., King, L.; Diener, E. (2005). The benefits of frequent positive affect: does happiness lead to success?. *Psychological bulletin*, 131(6), 803-855.
- Mateus, A. (1992). A economia portuguesa depois da adesão às Comunidades Europeias: transformações e desafios. *Análise Social*, vol. xxviii (118-119), 655-671.
- Mayrhofer, W.; Brewster, C. (2005). European human resource management: researching developments over time. *Management Revue*, 16 (1), 36-62.
- McNall, L. A., Masuda, A. D., & Nicklin, J. M. (2009). Flexible work arrangements, job satisfaction, and turnover intentions: The mediating role of work-to-family enrichment. *The Journal of Psychology*, 144 (1), 61-81.
- Meyer, J. W.; Rowan, B. (1977). Institutionalized organizations: formal structure as myth and ceremony. *American Journal of Sociology*, 83, 340-363
- Moura, E. (2000). *Gestão dos Recursos Humanos: influências e determinantes do desempenho*. Universidade Técnica de Lisboa. Instituto Superior de Economia e Gestão.
- Myloni, B.; Harzing, A.W.; Mirza, H. (2004). Host country specific factors and the transfer of human resource management practices in multinational companies. *International Journal of Manpower*, 25 (6), 518-534.
- Neves, J.; Gonçalves, S. (2009). A investigação em Gestão de Recursos Humanos em Portugal: resultados e tendências. *Revista Portuguesa e Brasileira de Gestão*, 8(4), 66-83.
- OECD (2016). *How good is your job? Measuring and assessing job quality*. Paris, OECD Publishing.
- Penrose, E. T. (1959). *The theory of the growth of the firm*. New York, Wiley.
- Perlmutter, H. V. (1969). The tortuous evolution of the multinational corporation. *Columbia Journal of World Business*, 4(1), 9-18.
- Pfeffer, J. (1994). *Competitive advantage through people*. Boston, Massachusetts, Harvard Business School Press.
- Pfeffer, J. (1998). Seven Practices of Successful Organizations. *California Management Review*, 40 (2), 96-124.
- Price, A. (2011). *Human Resource Management (4th ed.)*, Cengage Learning EMEA.
- Rego, A.; Cunha, M.P.; Gomes, J.F.S.; Cunha, R.C.; Cabral- Cardoso, C.; Marques, C. A. (2015). *Manual de Gestão de Pessoas e do Capital Humano, 3ª Edição*, Edições Sílabo.
- Rhoades, L., Eisenberger, R.; Armeli, S. (2001). Affective commitment to the organization: the contribution of perceived organizational support. *Journal of Applied Psychology*, 86(5), 825-836.

Savaneviciene, A.; Kersiene, K. (2015). How are HRM Practices Transferred in MNCs? Lithuania Case. *Procedia Economics and Finance*, 26, 985-990

Schuler, R. S.; Jackson, S. E. (1987). Linking competitive strategies with human resource management practices. *The Academy of Management Executive*, 207-219.

Schuler, R.S.; MacMillan (1984). Gaining competitive advantage through human resource management practices. *Human Resource Management*, 23(2), 241-256.

Schwab, K.; Sala-i-Martin, X. (2015). *The Global Competitiveness Report 2015-2016*. Geneva, World Economic Forum.

Senge, P. M. (1990). *A quinta disciplina: arte, teoria e prática da organização de aprendizagem*. São Paulo. Best Seller.

Sun, L. Y., Aryee, S.; Law, K. S. (2007). High-performance human resource practices, citizenship behavior, and organizational performance: A relational perspective. *Academy of Management Journal*, 50(3), 558-577.

Sundaram, A. K.; Black, J. S. (1992). The environment and internal organization of multinational enterprises. *The Academy of Management Review*, 17(4), 729-757.

Tracey, J. B.; Hinkin, T. R. (2008). Contextual factors and cost profiles associated with employee turnover. *Cornell Hospitality Quarterly*, 49(1), 12-27.

UN (2017). *World Investment Report 2017*. Geneva, United Nations.

Wayne, J. H., Casper, W. J., Matthews, R. A.; Allen, T. D. (2013). Family-supportive organization perceptions and organizational commitment: The mediating role of work-family conflict and enrichment and partner attitudes. *Journal of Applied Psychology*, 98(4), 606-622.

Werbelt, J.D.; DeMarie, S.M. (2005). Aligning strategic human resource management and person-environment fit. *Human Resource Management Review*, 15, 247-262.

Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*, 5 (2), 171-180.

Wilton, N. (2011). *An Introduction to HRM*. London, Sage.

Yin, R. K. (2002). *Estudo de caso: Planejamento e métodos*. Porto Alegre, Artmed.

Contato

Pedro Cardoso,
E-mail: ptrodriguescardoso@gmail.com

Carlos Madeira
University of Trás-os-Montes e Alto Douro
E-mail: rmadeira@utad.pt

Ana Paula Rodrigues
University of Trás-os-Montes e Alto Douro
E-mail: anarodri@utad.pt