
Globalizing Management

*Creating and Leading the
Competitive Organization*

Edited by
Vladimir Pucik
Noel M. Tichy
Carole K. Barnett



John Wiley & Sons, Inc.

New York • Chichester • Brisbane • Toronto • Singapore

In recognition of the importance of preserving what has been written, it is a policy of John Wiley & Sons, Inc. to have books of enduring value published in the United States printed on acid-free paper, and we exert our best efforts to that end.

Copyright © 1992, 1993 by John Wiley & Sons, Inc.

All rights reserved. Published simultaneously in Canada.

Reproduction or translation of any part of this work beyond that permitted by Section 107 or 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the Permissions Department, John Wiley & Sons, Inc.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. *From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers.*

Library of Congress Cataloging-in-Publication Data

Globalizing management : Creating and Leading the Competitive Organization /
edited by Vladimir Pucik, Noel M. Tichy, Carole K. Barnett.

p. cm.

Includes index.

ISBN 0-471-50821-7 (cloth) ISBN 0-471-30491-3 (paper)

1. International business enterprises—Personnel management.

I. Pucik, Vladimir. II. Tichy, Noel M. III. Barnett, Carole K.

HF5549.5.F45G63 1992

658—dc20

92-1084

Printed in the United States of America

10 9 8 7 6 5 4 3 2

To the next generation of global citizens, our children:

*David and Mai
Michelle, Nicole, and Danielle
Elizabeth and Andrew*

*who inspire our inquiry
and searching*

Preface

The objective of our book is to present a new synthesis of knowledge about globalization and organizational life. A central theme is how human resource management practices in global firms respond to ever-increasing change in world politics, economics, technology, and culture. We believe that the unrelenting demand for continuous improvement in global human resource management practices makes this collection of chapters a timely addition to the many streams of research on managing for global competitiveness.

We hope our work will lend insight in two realms by dealing realistically with today's competitive problems as well as tomorrow's challenges. To that end, this book strives to organize some of the latest reflections about global human resource management practices and strategies in a way that may be useful to business leaders and academics alike. We strongly believe that advancement in a complex, new age demands ongoing partnership between these interdependent communities both in research and practice. And we maintain that the time is long past due for progressive, collaborative approaches to meeting the human resources challenges created by the globalization trend.

Following our philosophy as advocates of team work, this volume draws on an interdisciplinary world forum for the most promising concepts and methods of managing and developing people in global organizations. Leading scholars from Europe, Asia, and North America offer a variety of ideas that contribute to a new vision of the global firm in a contemporary competitive environment.

Our dialogue with this consortium of scholars and researchers originated in 1983 when we first conceived our plans for an international human resource management conference. Many of the contributors to this book joined us in France during the summer of 1985 to begin sharing ideas about global organizing and to establish an agenda for research and practice. The forum was informal, highly interactive, and yielded many ideas that were subsequently transformed into a special issue of the *Human Resource Management* journal.

Far from being the culmination of the 1985 symposium, the papers from the gathering in France animated further inquiry, and a second symposium was held in Japan in 1987 to continue our search for innovative ideas about managing human resources in an increasingly complex global era. Many of the original participants from 1985 were joined in the 1987 symposium by other members of the academic and business circles, most notably from the Asia-Pacific area. A second special issue of the *Human Resource Management* journal was successfully published, spurring us on to further research.

When we decided to organize this volume, it became our vehicle for generating yet a new set of papers by some of the most highly regarded scholars in the field of organizational studies. Thus *Globalizing Management: Creating and Leading the Competitive Organization* comprises a core group of previously published articles, along with a large number of original chapters expressly developed to complete our intellectual and managerial agenda.

The scope of this book is intentionally broad in order to provide relevance for practitioners and academics in diverse industries, disciplines, and nations. We hope that our approach will allow members of one domain to inform the others with fresh insights, thereby strengthening the potential for theoretical and practical advances.

Many individuals have influenced and supported the development of this volume—executives, graduate students, and faculty colleagues. The range and quality of the work presented in *Globalizing Management: Creating and Leading the Competitive Organization* are a measure of the kind of collaborative commitment that can be generated when individuals are brought together in a common endeavor to learn. Every contributor to this book was instrumental in its development, giving unwaveringly of time for writing and/or conferencing, energy to keep the project going in spite of competing demands, and ingenuity in the face of stubborn old theoretical assumptions. The work has often been difficult and the progress toward publication slow. Thus, finally, we are indebted to our editor, John Mahaney, whose patience, steady support, and fidelity to our vision of this book made it a reality.

Vladimir Pucik
Tokyo, Japan and Ithaca, New York, U.S.A.

Noel M. Tichy
Ann Arbor, Michigan, U.S.A.

Carole K. Barnett
Ann Arbor, Michigan, U.S.A.

Contributors

Carole K. Barnett
The University of Michigan
Department of Organizational
Psychology
Ann Arbor, Michigan

Christopher A. Bartlett
Harvard Business School
Boston, Massachusetts

Michael I. Brimm
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Ram Charan
Independent Consultant
Dallas, Texas

Yves Doz
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Paul A. L. Evans
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Charles J. Fombrun
New York University
Stern School of Business
New York, New York

Sumantra Ghoshal
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Geert Hofstede
University of Limburg at
Maastricht
The Netherlands

Manfred F. R. Kets de Vries
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Stephen J. Kobrin
University of Pennsylvania
The Wharton School
Philadelphia, Pennsylvania

André Laurent
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Peter Lorange
University of Pennsylvania
The Wharton School
Philadelphia, Pennsylvania

Christine Mead
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Ikujiro Nonaka
Hitotsubashi University
School of Commerce
Tokyo, Japan

C. K. Prahalad
The University of Michigan
School of Business Administration
Ann Arbor, Michigan

Vladimir Pucik
Cornell University
School of Industrial and Labor
Relations
Ithaca, New York

Susan C. Schneider
INSEAD/European Institute of
Business Administration
Fontainebleau, France

Hiroataka Takeuchi
Hitotsubashi University
School of Commerce
Tokyo, Japan

Noel M. Tichy
The University of Michigan
School of Business Administration
Ann Arbor, Michigan

Stefan Wally
New York University
Stern School of Business
New York, New York

Hideki Yoshihara
Kobe University
Research Institute for Economics
and Business Administration
Kobe, Japan

Contents

Introduction	
<i>Vladimir Pucik</i>	1

Part I The Competitive Context

Chapter 1	Global Entanglements: The Structure of Corporate Transnationalism <i>Charles J. Fombrun & Stefan Wally</i>	15
Chapter 2	Leadership Development as a Lever for Global Transformation <i>Noel M. Tichy, Michael I. Brimm, Ram Charan, & Hirotaka Takeuchi</i>	47
Chapter 3	Globalization and Human Resource Management <i>Vladimir Pucik</i>	61

Part II The Strategic Context

Chapter 4	Dualities: A Paradigm for Human Resource and Organizational Development in Complex Multinationals <i>Paul A. L. Evans & Yves Doz</i>	85
Chapter 5	Matrix Management: Not a Structure, a Frame of Mind <i>Christopher Bartlett & Sumantra Ghoshal</i>	107
Chapter 6	Controlled Variety: A Challenge for Human Resource Management in the MNC <i>Yves Doz & C. K. Prahalad</i>	119

Part III The Cultural Context

Chapter 7	Cultural Dimensions in People Management: The Socialization Perspective <i>Geert Hofstede</i>	139
Chapter 8	National vs. Corporate Culture: Implications for Human Resource Management <i>Susan C. Schneider</i>	159
Chapter 9	The Cross-Cultural Puzzle of Global Human Resource Management <i>André Laurent</i>	174

<hr/> Part IV The Developmental Context <hr/>		
Chapter 10	The Development of the Global Leader Within the Multinational Corporation <i>Manfred F. R. Kets de Vries & Christine Mead</i>	187
Chapter 11	Global Development <i>Noel M. Tichy</i>	206
<hr/> Part V The Collaborative Context <hr/>		
Chapter 12	Human Resource Management in Multinational Cooperative Ventures <i>Peter Lorange</i>	227
Chapter 13	Strategic Alliances, Organizational Learning, and Competitive Advantage: The HRM Agenda <i>Vladimir Pucik</i>	243
<hr/> Part VI The Comparative Context <hr/>		
Chapter 14	Expatriate Reduction and Strategic Control in American Multinational Corporations <i>Stephen J. Kobrin</i>	263
Chapter 15	New Challenges for Japanese Multinationals: Is Organizational Adaptation Their Achilles Heel? <i>Christopher A. Bartlett & Hideki Yoshihara</i>	276
Chapter 16	Self-Renewal of the Japanese Firm and the Human Resource Strategy <i>Ikujiro Nonaka</i>	300
<hr/> Part VII Global Research and Teaching in the 1990s <hr/>		
Chapter 17	The Global Agenda for Research and Teaching in the 1990s <i>Carole K. Barnett</i>	319
Chapter 18	Globalization: The Intellectual and Managerial Challenges <i>C. K. Prahalad</i>	340
Index		353

Introduction

Vladimir Pucik

As the world economy moves into the 1990s, new environmental trends are exerting a profound impact on the patterns of global competition. Some of these trends are long-term and their competitive implications are well understood—for example, the ever-increasing investments across national boundaries spearheaded by large U.S., European, and Japanese multinational firms and improvements in communication and transportation that facilitate international exchange of goods, people, and information. Other developments happened quickly, creating uncertainty and demanding a swift strategic response, such as the breaking down of the market barriers within the European Community and the reunification of Germany together with democratization and perestroika in Eastern Europe and the former Soviet Union.

While all these events are making headlines, other more subtle trends are influencing the effectiveness of global competitive strategies. Rapid technological changes have transformed the time dimension of competition. Where in the past new entrants had years of monopoly to exploit their technological advantages, such windows of opportunities have shrunk to mere months today (contrast the worldwide expansion of Xerox with that of Apple, or consider Japanese and Korean entry into the electronics field). Speed and quality in addressing the needs of worldwide customers will greatly influence who the next winning firms are going to be.

However, not only is the technology-driven competitive advantage more and more temporary, but the diffusion of technological know-how around the world is also much quicker than at any time in the past. New powerful global competitors are emerging in countries previously on the periphery of global economic activities, such as Korea and Taiwan. Global competitive conditions are also affected by a rapid internationalization of service businesses, from advertising and data processing to investment and consumer banking, much of it again driven by the emergence of new boundary-crossing technologies.

The globalization of competitive capabilities is also accompanied by a globalization of market opportunities. In a number of product lines, basic customer requirements are similar, if not identical, in many of the major markets. Although, in spite of earlier high hopes, sizeable income differentials between “rich” and “poor” countries remain, large pools of “world-class” consumers have emerged in areas other than the traditional triad of North America, Western Europe, and Japan. In order to reach all prospective customers with “global” products adapted to the local needs, global firms are relying on strategic alliances of various kinds, from simple technological and marketing agreements to complex multi-joint venture arrangements. In this sense, globalization demands are transforming the boundaries of the firm.

All this means an intensification of global competition in most areas of manufacturing and services. The old rules and prescriptions are not valid any more. For any firm to succeed in the new global competition, a long-term, forward-looking dynamism, operational flexibility, and continuous improvement in all facets of its business activities are more important than its current size and short-term performance. Only through a sustained effort to do its very best can a global firm maintain the high level of *internal energy* required for success. Market leadership and superior financial performance cannot be upheld without a relentless drive to continuously renew the firm’s competitive edge. However, there is no trade-off between long-term and short-term business objectives; rather, the two sets of goals are complementary.

One of the key characteristics of the best global competitors is an emphasis on the long-term accumulation of competitive capabilities. These firms’ strategic intent is clear: long-term product/market leadership in the areas in which they have chosen to compete. However, a single competitive advantage, be it low production cost, high quality, or fast delivery, is not sufficient to provide lasting superiority in the global market; some competitors will always be able to bridge the gap in a relatively short period of time. To be effective players in the global competitive environment, firms have to master a wide variety of skills. The strategic objective of a globally competitive firm is therefore the creation of continuously evolving and interdependent layers of organizational capabilities that reinforce and enhance each other across all core businesses, functions, and markets.

While each capability (high quality, low cost, rapid design change, precise delivery) can perhaps be duplicated by a determined competitor, a globally interdependent organizational infrastructure is hard to build or copy. Managing the various forms of interdependence that involve extensive coordination and integration across countries, products, and business functions becomes one of the most important tasks for the firm to master. Its ability to do so effectively becomes a competitive advantage in itself.

The various dimensions of competitive advantage in global firms have one thing in common. They are all embedded in organizational systems, processes,

and cultures and they reflect the capacity of a collective of people to think and act in a fashion that transcends the traditional limitations of an ethnocentric framework. To develop and manage a global organization implies developing and managing people who can think, lead, and act from a global perspective, who possess a “global mind” as well as “global skills.” Not one, two, or a dozen “international” specialists, but a multitude of executives, managers, and professionals are needed to form the core of a global firm.

We believe that the process of globalization requires a radical transformation of our thinking about the role and tools of human resource management in multinational firms. This is what our book is all about. The idea that human resource management can and should make a contribution to the competitive strategy of a global firm is a concept that unites all the contributors to this volume. Some may differ on how this may be accomplished, as we have deliberately chosen to maximize the variety of viewpoints presented. We all, however, share a firm conviction that the secret to success in global competition lies in managing people.

Human Resource Management in Global Companies

The idea of editing a book on human resource management in the global environment began to crystallize in 1985, when the *Human Resource Management Journal* co-sponsored a symposium on international issues in human resource management at INSEAD in Fontainebleau. We were at that point disheartened with the state of knowledge in this area, since much of what had been written on international human resource management covered only specific, narrow topics, such as expatriate selection, training, repatriation, or technical aspects of expatriate compensation. Instead, we wanted to look at the key competitive and environmental challenges facing global corporations and define major strategic tasks facing the human resource management area over the next decade.

Approximately fifty academics and executives from Europe, Japan, and the United States spent several days in informal discussions on the state of international human resource management and its agenda for the future. We focused on the issues of global leadership, cultural diversity in management, and new organizational forms necessary for global competitiveness. Two years later, a second symposium with a similar format and agenda was held in Japan. This time, the discussion emphasized strategic alliances, global coordination and integration, and staffing and development processes. A number of chapters presented here are based on contributions made originally at these two workshops. Meanwhile, we began to pursue several major research and executive development projects related to human resource management in

4 INTRODUCTION

global firms, the results and experiences of which are also reflected in this book.

Our objective is to answer some of the most critical questions regarding human resources in global firms. What is the contribution of human resources activities to competitive strategies of a global firm? What is the value of cultural diversity, and what are its costs? How can executives strike a proper balance between the needs of global businesses, those of the country affiliates, and those of the whole corporation? How can they develop a multicultural top management group? What role should human resources play in the management of strategic alliances?

In contrast, we have not spent much time building typologies of global strategies or abstract conceptual frameworks. For example, we are not concerned with the classification of firms operating outside of their national boundaries as international, multinational, global, or transnational. (We use these terms freely, as long as it is clear what kind of a firm we have in mind.) Nor are we concerned with what human resource practices are related to what type of MNC. Our focus is on the globalization process through which firms achieve regional and global market differentiation while pushing forward with a rationalization of operations, selective geographical diversification, and far-reaching alliances that involve them in cooperative transnational networks and strategic groupings.

Two key ideas permeate our understanding of global competitive strategies: diversity and complementarity. We believe that globalization implies accepting that cultural diversity in management composition and management style contribute to the competitive advantage of the global firm. We also believe that effective globalization calls for the pursuit of a number of management approaches that on paper may seem contradictory, but that can be truly effective only through their simultaneous and balanced application. Global human resource management can then provide an organizing framework for developing and managing people who are comfortable with the strategic and operational paradoxes embedded in global firms and who are capable of harnessing the resulting cultural diversity.

The first part of the book, therefore, deals with the environment of global human resource management. We look at its competitive context by examining the role of human resource management in global competition; its strategic context by focusing on the linkage of human resource management with global corporate strategies; and its cultural context by relating human resource management to national cultures.

The second part of the book is devoted to specific functional aspects of human resource management that have a unique dimension in a global firm: organizational design issues focused on structural and process requirements of a global organization; the development of global managers and executives addressed from several conceptual viewpoints; and the role of human resource management in strategic alliances and other collaborative ventures.

The third part of the book, applying a comparative perspective, centers on specific human resource issues facing, in particular, American and Japanese multinational firms. The final chapters then review the action agendas for top management in global firms and for their human resources executives, as well as for management scholars involved in research and teaching on this topic.

The Competitive Context

Changes in the contemporary global economy are in the background of many of the emerging challenges facing human resource management. Vast macro-societal changes increasingly bind countries into interdependent communities of nations in which goods, capital, and people move freely; but between these there remains a patchwork of regulatory and cultural barriers. Fombrun and Wally argue that to remain profitable in this new global age requires firms to commit themselves to transnationalism and to internalize strategies likely to lead to success in global competition. Implementing successful global strategies then requires careful attention to the paradoxes created in the design of corporate structures, the management of human resources, and the maintenance of multifaceted company cultures.

Tichy, Brimm, Charan, and Takeuchi examine the concept of global competition from the perspective of transformational leadership and “global mindset” essential for survival in global competition in the 1990s. They see the key competitive advantage of the global firm as the ability to continuously transform itself. They argue that corporations and their leaders must learn to engineer and manage such transformations or they will inevitably lose in the competition ahead. In their view, global leaders must have the capacity to turn threats into opportunities; to motivate people to excel, not just to survive; to drive innovations to the market place at an increasingly faster rate; and to operate globally through cross-cultural problem solving and team building.

Pucik reviews the linkages of human resource management in global firms to competitive advantage. He identifies three principal organizational capabilities as sources of sustainable competitive edge: the creation of a competitive culture inside the global firm, the existence of organizational learning systems based on the accumulation of invisible assets, and a strong organizational emphasis on continuous improvement. These three capabilities are then linked with specific human resource strategies, from staffing and development to organizational design. Pucik also discusses the main obstacles confronting global firms in the implementation of competitive human resource strategies and suggests concrete steps to enact the necessary changes.

The Strategic Context

The second part of the book deals primarily with the requirements of organization and human resource management systems driven by global strategies.

First, Evans and Doz discuss the human resource management problems in global firms in terms of dualities—organizational properties that seem contradictory or paradoxical, but that are in fact complementary. Evans and Doz point to the emerging consensus that the competitive advantage of the transnational firm lies in its organizational ability to cope with the multidimensional and complex demands of the global business environment. Using the concept of cultural layering (building new capabilities into the organization's culture while reinforcing its past cultural strengths) as an example, they show how management governance in a transnational enterprise becomes a matter of balancing opposite forces and using those forces as the motor of organizational development and change, with human resource management as the critical and essential tool.

The concern with the limitations of a structural solution to current strategic problems forms the core of Bartlett and Ghoshal's chapter. They argue that in many of the world's multinationals, strategic thinking has outdistanced organizational capability. Many have adopted elaborate organizational matrices that actually impair their ability to implement sophisticated business strategies. Bartlett and Ghoshal propose three techniques to improve strategic coordination across the various units of a global firm: development of a clear, consistent corporate vision internalized by managers worldwide; use of training and career-path management to broaden individual perspectives and increase identification with corporate goals; and co-opting all managers and organizational groups by inviting them to contribute to the corporate agenda and giving them direct responsibility for implementation.

From a complementary perspective, Doz and Prahalad analyze the contribution of human resource management in helping diversified MNCs meet the challenge of combining the strategic control driven by the imperatives of global competition and the strategic variety demanded by local market needs. As they see it, global firms need to develop "balanced" managers who have multifocal vision and who are sensitive to the demands for local responsiveness and opportunities for global integration. Doz and Prahalad explore the specific agenda that both HR professionals and top management must work through in order to build up quality and effectiveness in the MNC's human resource management process.

The Cultural Context

Hofstede's chapter provides the basic framework for the discussion of cultural influence on human resource management in global firms. Building on a variety of cross-cultural studies, Hofstede identifies the ability to cope with cultural relativity as the key requirement for tomorrow's global managers. Such familiar aspects of organizational life as organization structure, leadership styles, motivation patterns, training and development models, and indeed the very concept of "human resource" management are, according to

Hofstede, culturally relative and therefore need to be reconsidered when national boundaries are crossed. To facilitate such cross-cultural adaptation, he argues for more recruitment of top managers from different nationalities, acculturation through carefully planned career moves, and cultural awareness training.

In contrast to national cultures, corporate culture has often been described as the glue that holds global organizations together by providing cohesiveness and coherence among its parts. Multinational companies are increasingly interested in promoting corporate culture to improve the control, coordination, and integration of their subsidiaries. Yet these subsidiaries are embedded in local national cultures whose basic assumptions about people and the world may differ from the national and corporate culture of the multinational's home office. These differences may hinder the acceptance and implementation of human resource practices, in particular on questions of selection and socialization, career planning, appraisal, and compensation. Schneider discusses the cultural assumptions underlying these HRM practices as they may differ from those of the national culture of the subsidiary. She also reviews the issues concerning the use of corporate culture as a mechanism for globalization.

Finally, Laurent perceives the challenge faced by the field of international human resource management as a multidimensional puzzle located at the crossroad of national and organizational cultures. His research findings conclude that deep-seated managerial assumptions are strongly shaped by national cultures and appear quite insensitive to the more transient culture of organizations. However, how many headquarter executives genuinely believe they can learn from their foreign subsidiaries? How many multinationals implement such a rare belief by internationalizing headquarters staff and top management? Therefore, Laurent advocates that efforts should be directed toward the development of forward-looking international corporate cultures that could provide the framework for solving these vital issues in international HRM.

The Developmental Context

A number of authors identify the development of executives with a "global mindset" as one of the key strategic tasks facing human resource management in multinational firms. Kets de Vries and Mead then review the factors that enhance or hinder the process of developing such leaders. Among various desirable traits and skills, they emphasize cultural empathy and adaptability and consider a number of approaches to selection, management development, and organizational structure that promote the necessary cross-cultural capabilities. Apart from predispositions which stem from early childhood development and socialization, the authors identify a number of career development factors that may have an impact on the creation of a "global mindset"

among high potential executives. In particular, they advocate that future top executives in global firms should have the opportunity for early cross-cultural experience through assignments in different countries.

The theme of global leadership development is expanded by Tichy. He argues that the successful development of future leaders of global corporations requires a radical transformation of thinking about basic premises of human resource development techniques. He defines five characteristics of global leaders: a global mindset, global leadership skills, an ability to lead cross-cultural teams, energy and talent to participate in global networking, and skills as global change agent. He contends that traditional training and development approaches fall far short of the mark in what is required for globalization. In contrast, the chapter discusses practical approaches to making management development an integral part of a global transformation process by linking compressed action learning with a firm's competitive strategies.

The Collaborative Context

Joint ventures, licensing agreements, project-based cooperative networks, and franchises are becoming commonplace arrangements for implementing strategy in global markets. Lorange considers six critical human resource management issues as they apply to each of these four types of cooperative ventures: assignment of managers to cooperative ventures; the human resource transferability issues; managers' concentration on operating versus strategic issues; the human resource competency issues (avoiding biases); loyalty issues; and career planning issues. He proposes that the cooperative venture must be seen as a vehicle to produce not only financial rewards, but also managerial capabilities that can be used later in other strategic settings.

Such capabilities are particularly important when firms are engaged in alliances that involve competitive collaboration—cooperative relationships with their existing or potential competitors. Pucik, in his chapter, argues that unless MNCs that are involved in competitive collaboration can build the capability to accumulate invisible assets through a carefully planned and executed process of organizational learning, they will jeopardize both their competitive advantage and control over the strategic direction of their cooperative ventures. His chapter defines organizational learning as the critical strategic task for human resource managers in MNCs, lists the key obstacles to organizational learning in international strategic alliances, and discusses the agenda for transforming the specific components of the HR system, from selection and development to appraisal and compensation practices, to support the organizational learning process.

The Comparative Context

In spite of the trend toward globalization, the concept of a globalized firm still reflects only an ideal organizational form, since nearly all multinational