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**MANAGEMENT INTERNATIONALLY:
THE INTERNATIONAL DIMENSIONS
OF THE MANAGERIAL TASK**

Juan Roure*
José L. Alvarez*
Carlos García Pont*
José L. Nuevo*

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* Professors, IESE

Research Division
IESE
University of Navarra
Av. Pearson, 21
08034 Barcelona - Spain

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Introduction

In this paper we report on the results of a study undertaken by a multidisciplinary team from IESE on managing internationally. Our starting point is the proposition that managing internationally is not confined to multinational companies, large firms, expatriates, or headquarter–subsidiary relationships. Instead, we submit that the management task in general has become increasingly complex as managers are forced to confront issues such as economic integration and interdependence, international competition, dealing with foreign suppliers and customers, tapping the worldwide international R&D community and dealing with international labor mobility.

The paper is divided into four sections. The first section reviews the literature on the organizational demands of managing multinationally. In the second we review previous research on the managerial task. The third section explains the tentative framework that we propose to use. In the fourth section we provide some conclusions based on the cases we have investigated.

The internationalization of business adds a degree of complexity to the managerial task. The emergence of more complex organizational structures to cope with the increasingly complex demands being placed on international organizations has led to the development of different typologies. In reviewing these we follow the way the basic framework of «differentiated» and «integrated» organizations elaborated by Lawrence and Lorsch (1967) has been further developed and applied to the complex organisational structures of MNCs in the works of Prahalad and Doz (1987), Bartlett and Ghoshal (1989) and Hedlund (1986). These three studies argue that, owing to the complex nature of the environment in which international companies operate, traditional organizational solutions based on formal control mechanisms are inappropriate.

The process of managing internationally requires that MNCs develop organizational forms that will be able to cope with this increasingly complex environment. In turn, the form the organization takes will determine the level of complexity of the tasks performed by executives in the course of their work.

We argue that previous research exploring the components of the managerial task fails to recognize the role of managers as mediators between the external environment and the company. We suggest that the role of a manager has to be understood in terms of internal

and external tasks, the former being all the activities performed within the legal borders of the organization, and the latter being the activities which managers perform when relating to the external environment, such as dealing with takeholders, gathering competitive information, or representing the company in different community forums.

Furthermore, we argue that the role of international managers –all those whose job includes dealing with international issues– has to be studied in terms of these two dimensions. The degree of internationalization of their internal and external tasks will determine the international dimensions of their overall managerial task.

1. A Review of International Business

Most of the literature on managing international business has focused on multinational companies and is based on theories of how to manage complex organizations. One of the earliest typologies in managing complex organizations was developed by Lawrence and Lorsch (1967). These authors argue that in order to cope effectively with their external environments, organizations develop segmented units (differentiated units), each of which deals with a different environmental issue (for example, the production unit develops in order to deal with suppliers and labor markets; the sales unit, to deal with customers). However, this differentiated system has to be coordinated so that it works towards a common end (integration). Without this integration, units would become isolated from one another, seeking only to attain a «perfect» fit with their «unique» working environment (sales, operations, suppliers). For an organization to perform effectively in diverse environments, therefore, it has to be both appropriately differentiated and properly integrated. The more differentiated an organization is, however, the more difficult it is to resolve conflicting points of view and achieve effective collaboration.

Diversified multinational corporations (DMNCs) are the best example of organizations that work in complex environments. On the one hand, an MNC may be regarded as a single enterprise operating in a global environment; on the other hand, it may be viewed as comprising a wide set of different organizational units which operate in distinct national environments (Rosenzweig and Singh, 1991). Moreover, DMNCs operate in different industries, which adds a further dimension of environmental complexity.

The logical extension of the Lawrence and Lorsch framework to firms with international operations brought about a spate of two-variable typologies. Prahalad (1976) developed a typology for multinational companies (MNCs) which stressed the «need for managerial interdependence» (integration) versus the «need for managerial diversity» (local responsiveness) in the design of multinational organizations. Doz (1976) stressed the tension MNCs face between the «economic imperative» (large-scale efficient facilities) and the «political imperative» (local content laws, local production requirements).

In taking these approaches, both Prahalad and Doz go beyond the functional requirements of differentiation defined by Lawrence and Lorsch. Doz extends the need for differentiation to the political domain and Prahalad, to a geographical (though not explicitly product/market) domain. The product/market dichotomy was introduced through the standardization/local adaptation debate (Levitt, 1983; Quelch and Hoff, 1986; Douglas and Wind, 1987).

These two complementary aspects of differentiation –political pressures and product-market demands– were amalgamated (Bartlett, Doz and Prahalad, 1981; Bartlett, 1986; Prahalad and Doz, 1987) into a category called «pressures for national responsiveness». The «need for integration» variable was thus mainly determined by economic imperatives.

The work of Prahalad and Doz is summarized in their 1987 book «The Multinational Mission», in which they further develop the integration/responsiveness grid. They use it to classify the different businesses of a diversified multinational corporation (DMNC). Each strategic business unit (SBU) is characterized by its degree of «need for integration» and «need for local responsiveness». Different positions on the «integration/ responsiveness» grid imply different organizational needs. Pressures for the strategic coordination and global integration of activities form the basis of the integration dimension. These pressures, which include the increasing importance of multinational customers and competitors, technology and investment intensity, and economies of scale and scope, are pushing multinational firms towards global integration and the coordination of their activities. At the same time, differences in customer needs, distribution channels, market structure and host country demands are pressurizing MNCs into becoming more responsive in the way they adapt to the local needs of each of the markets they serve.

The challenge facing DMNCs, as defined by Prahalad and Doz, is therefore how to manage the different organizational demands generated by the diverse needs of the different SBUs.

When pressures for both integration and responsiveness are strong, none of the traditional product, functional, or area-driven structures will work. Even the matrix, which is the typical textbook solution, will not provide the answer to the problem. Prahalad and Doz (1987) therefore developed the «multifocal» solution, in which firms shift the focus of decision-making from a national view to a global view from decision to decision. They argue for «an organization in which the formal structure does not provide clues to the underlying processes. In which the mindset of managers has a global framework, balancing the needs between local responsiveness and a global vision of the firm. Integration pressures push the firm toward a global product structure, localization pressures demand a local area structure.» The objective of this «multifocal solution» is to maintain an equilibrium between these conflicting pressures.

A «multifocal» organization is one in which different organizational demands are considered, and the management characteristics of each business are allowed to change over time, along with their movement on the «integration/responsiveness» grid. «Local» businesses are encouraged to think in terms of the global marketplace so that decisions are made not only on the basis of how the individual business will be affected but also in terms of the effect on the entire corporation; businesses are allowed to respond to local government demands; and the interdependence of businesses is taken into account.

In order for businesses to achieve this «multifocal» solution, Prahalad and Doz argue the need for three elements within the organisation, namely control, change and flexibility. Control is essential to achieve efficiency in executing agreed-upon strategies; the ability to change the nature of the headquarters-subsidiaries relationship is necessary in order to reflect any alterations in strategic direction; and sufficient flexibility has to be present in order to enable the business to exploit opportunities as they emerge, and to react to unanticipated problems within the context of the overall vision.

Prahalad and Doz argue that although formal control mechanisms help to serve the demand for diversity, the key to control is to have the most important subsidiaries share a common vision with Headquarters (HQ). The HQ has to have the ability to assign different strategic roles to individual subsidiaries as part of the DMNC's global strategy, but at the same time it must give scope for dissent to enable these strategic roles to be fulfilled. The work of these authors highlights the limitations imposed by the firm's cognitive capabilities, the different business logics and the repetition of old recipes in meeting the organizational demands for integration and local responsiveness on the part of MNCs.

Bartlett and Ghoshal (1989) introduce a third dimension in identifying another important managerial challenge, that of coping with the pressures for worldwide innovation and global learning. By recognizing that the locus of the generation of ownership-specific advantages is not confined to headquarters, they demonstrate the importance of linking and leveraging knowledge to increase a firm's competitive advantage. They therefore propose the «transnational solution», a complex organizational form with roles and responsibilities differentiated by business, function and even by task. These roles and responsibilities need to be clearly defined in order to eliminate the overlapping of roles and the sharing of responsibility, which frequently creates excessive tension in the global matrix. The transnational solution seeks to achieve global efficiency, local differentiation and worldwide learning at the same time. It demonstrates that each of these goals is only part of the picture, and that none of them can provide the solution on its own.

Like Prahalad and Doz (1987), who recognize that the different strategic tasks have to be allocated to an MNC's different businesses, Bartlett and Ghoshal point out that assets and capabilities are unequally distributed, and indicate that the company's different subsidiaries each have a role to play in the MNC's overall strategy, depending on the importance of their local environment and their level of strategic resources (see Figure 1). The roles played by the subsidiaries are classified as those of strategic leaders, contributors, black holes or implementors. Instead of deciding on a strategy of either centralizing or decentralizing assets, the transnational makes selective decisions. It centralizes some resources at home, some abroad, and distributes yet others amongst its many subsidiaries. The result is a complex configuration of assets and capabilities that are geographically distributed yet specialized. Some integration of the dispersed resources takes place through interdependencies, but these interdependencies are more reciprocal than sequential. Different organizational units exchange their capabilities, depending on their resources, based on their reciprocal need. The transnational company builds a systematic differentiation of roles and responsibilities into different parts of the organization.

Figure 1

Strategic Importance of Local Environment	High	Black Hole	Strategic Leader
	Low	Implementer	Contributor
		Low	High
		Level of Local Resources and Capabilities	

Source: Bartlett and Ghoshal (1989:106).

Differentiation in the roles carried out by SBUs, however, is only one aspect of internal differentiation. Businesses, products and functions are all managed differently, with an eye to industry structures, competitive positions, and the nature of the strategic tasks. Managers in transnational companies recognize that different parts of the company possess different capabilities. Often, key physical and organizational assets of the company are located overseas, developed in response to local demands. This broader range of customer preferences, competitor behaviour, government demands and technological stimuli can be used as a trigger for learning and innovation throughout the organization.

The need to coordinate this complex configuration of assets and capabilities in order to perform the overall strategic task is identified as the key problem in managing MNCs.

Hedlund (1986), based on the study of Scandinavian MNCs, proposed the «heterarchy» as a new organizational form to deal with this complex environment. The main idea is that the basis of competitive advantage no longer resides in only one country but in many. Thus, subsidiaries are given a strategic role, not only for their «own» local operations but for the MNC as a whole. Corporate-level strategy has to be implemented and formulated in a geographically scattered network. Moreover, heterarchy implies not only the existence of strategic centers, but of «different» types of center: R&D centers, operation centers, and so on. The organization is multifaceted (functions, products, geography, customer type, etc.), with no one dimension controlling the rest. Integration is achieved primarily through normative control, and only secondarily through coercive/bureaucratic regulations. «Corporate culture», «management style», and «cultural control» (Edström and Galbraith, 1977; Bartlett, 1984; Doz and Prahalad, 1984) become critical issues, as pure bureaucratic control breaks down because of cognitive overload and motivational problems.

The three approaches described above –those of Prahalad and Doz, Bartlett and Ghoshal, and Hedlund– share a common view, which is that the difficulty of managing MNCs is due to the diversity of environments in which these firms compete. MNCs have to adapt to this environmental complexity and be efficient in their operations. They do, however, in

principle, have the resources of a company with a global presence available to them. The underlying reasons for this environmental complexity are twofold. Prahalad and Doz (1987) argue that it arises mainly from the different characteristics of global competition in the various businesses in which the MNC is competing. Bartlett and Ghoshal (1989), Hedlund (1986) and Hedlund and Rolander (1990) emphasize that diversity exists because MNCs have to perform their activities in different local contexts, and must therefore adapt to these contexts.

Their strategic and organizational solutions are also based on this multiplicity of contexts. MNCs have to take advantage of it by tapping their subsidiaries for global reach (Bartlett and Ghoshal, 1986). Each unit has to be aware that local operations have an organization-wide effect besides the performance in the local marketplace. While Prahalad and Doz (1987) emphasize the importance of coordination between business units and explicitly highlight the interdependencies of the business, Hedlund (1986) demonstrates the intrinsic advantage of being multinational, and Bartlett and Ghoshal (1989) stress the worldwide learning capability that should be at the core of any international company.

The three approaches start from the differential characteristic of multinational corporations: the fact that they operate in multiple environments. The different authors emphasize the organizational difficulties created by the need for internal coordination while at the same time responding to the local environments. They also indicate that MNCs are able to benefit from the opportunities for worldwide learning that come from the intrinsic characteristics of multinationality.

They are, however, more vague with respect to managerial issues. They emphasise the organizational form rather than the individual managerial tasks that are the consequence of transnationalism. The focus is on the processes for managing complexity. According to Prahalad and Doz (1987:272), «an agenda for top managers would involve a reexamination of the concept of managerial performance, a continuous drive for better information and analysis, less dependence on formal structures and hierarchies, emphasis on long-term employment and economic security, a reliance on individuals, a concern for their development, and a capacity for recognizing individual differences and using them selectively».

Bartlett and Ghoshal argue that to build and manage the transnational as an effective strategic entity, management faces some administrative challenges. First, it must balance the diversity of perspectives and capabilities within the organization and ensure that no single management group predominates. Secondly, given the differences in the roles and responsibilities of the organizational units, management must build a set of flexible coordination processes so that each unit and task is managed in the most appropriate manner. However, although appropriate systems and management processes are essential, in themselves they cannot counteract the enormous centrifugal force in such organizations. The urgent task facing transnational managers, therefore, is to encourage shared vision and personal commitment in order to integrate the organization at the fundamental level of its individual members.

Hedlund (1986) argues that heterarchical MNCs require employees with special qualifications. The employees need an aptitude for searching for and combining elements in new ways, which might imply good knowledge of several fields of science and technology. They should be very good at communicating ideas and turning them into action. They should also be multilingual. Given that the organization must learn from its own actions, there is an increasing need for people who are willing to take risks and be experimental. Employees

should be completely immersed in the company as they need to form strong attachments to the organization. Management development activities should be seen as the primary instrument in building the organization and its culture.

The three approaches underline the organizational demands which have grown out of the search for efficiency in operations and the response to local external demands. It is interesting to note that none of them transfer this internal-external duality to the managerial tasks. It can be argued that if the key challenge in organizing multinational companies is to respond to environmental demands which push for diversity, while at the same time maintaining internal efficiency, the manager's job in multinational companies should be directly related to these two dimensions.

It seems, therefore, that even with their increased complexity international organizations are not essentially different from complex organizations *tout court*. The question, then, is this: Do international managers have managerial tasks –and so present a managerial profile– that are substantially different from managers who do not operate internationally?

2. The Managerial Task

The basic managerial tasks are well established by the literature. Chronologically, in a first phase, the basic conception of managerial work was the well-known one of planning, budgeting, organizing and controlling. That was an administrative and formal view of managerial activities, based mostly on knowledge, and not so much on informal and interpersonal skills and abilities, or on attitudes and values.

Kotter's «General Managers» and Mintzberg's «Nature of Managerial Jobs» completed, rather than merely replaced, this classic notion. They emphasized the idea that the traditional formal administrative tasks of planning, budgeting, organizing and controlling were done in an informal, interpersonal, disorganized and political manner. Recent studies on what successful managers do indicate that the job of a manager is essentially a combination of both the classic and modern variables (Luthans et al., 1985): planning/coordinating; staffing; training/developing; decision-making/problem-solving; processing paperwork; exchanging routine information; monitoring/controlling performance; motivating/reinforcing; disciplining/punishing; interacting with others; managing conflict; socializing/politicking.

This view of managerial tasks –in which informal activities are important in their own right and formal activities such as control, planning and so on are done through seemingly unplanned and disconnected day-to-day interactions– is very important, given what the literature has said about the functioning of international organizations. As we have seen, the enormous complexity of international businesses, their operating simultaneously in several business and cultural scenarios, has led to the conclusion that formal instruments of coordination are insufficient for the level of integration these companies need in order to achieve the control, flexibility and responsiveness regarded by Prahalad & Doz (1987) as crucial to their successful functioning. This is why the relational and interpersonal skills related to the informal dimension of organizations, as well as notions such as corporate vision, corporate culture and the like, are gaining currency in the literature on managing international organizations: they serve to integrate organizations while at the same time, supposedly, allowing for local responsiveness and adaptation. In this sense, managerial

tasks in multinational organizations are not categorically different from the managerial tasks carried out in highly complex national organizations, where there is the same need to strike a difficult balance between control and flexibility.

3. The International Dimensions of the Managerial Task

From an international management perspective, however, the available literature on managerial tasks has some limitations. First, there is its focus on top management tasks, that is, on generalists. The situations in which international managers are involved cannot all be subsumed under the generalist heading. The second limitation of the available literature –which parallels that of the literature on international organizations– is its focus on internal tasks, as, for instance, Luthans et al. (1985) indicates.

We suggest that the tasks performed by managers outside the legal boundaries of the company must also be taken into account. Here the manager acts as a mediator between the external environment and the company in response to local environmental issues. For managers in companies which operate across geographical borders, the internal and external tasks may comprise both international and local elements.

Figure 2 shows how the managerial task may be defined in terms of internal, external, international and local activities.

Figure 2
The Managerial Task: Internal and External

	Internal	External
Local	Coordinating local operations	Dealing with local suppliers, customers, institutions (govts, unions, etc.), partners
	Performing local operations	
	Coordinating across businesses	Gathering information
International	Coordinating across borders	Dealing with international customers, suppliers, regimes
	Transferring information and know-how	
	Cross-cultural management	Managing international partnerships

i) Methodology

After our review of the literature and following the feedback received at Arden House, we began the second phase of our study. It appeared to us that even with their greater complexity, international organisations did not differ substantially from complex organisations per se. Therefore, in order to investigate whether international managers do in fact present a significantly different managerial profile from managers who do not operate internationally, we undertook limited field research with a sample of seven managers in a

range of industries, in posts at three different levels: headquarters, country manager and local functional manager. The headquarters position in our sample was that of Senior V-P for Corporate Planning for Philip Morris, one of the largest international firms in packaged consumer goods. The country managers were a Group Company Head of Ciba, the Managing Director of Dunlop S.A. and the General Manager of Company X, a computer hardware manufacturer. Of the three functional managers in the sample two were responsible for total quality, in Alcatel and Hewlett-Packard, and the third held the post of Mediterranean Sales Manager for Medical Electric, a company producing X-ray equipment and ultrasonic and magnetic resonance machines for medical use. Figure 3 sets out the composition of our sample. The resulting case studies are given in Appendix 1.

Figure 3
Composition of Sample

Managerial Level	Post	Company	Industry
Headquarters	Senior V-P Corporate Planning	Philip Morris	Packaged consumer goods
Country Manager	Group Company Head	Ciba	Pharmaceutical, biological and chemical products
	M.D.	Dunlop S.A.	Sports equipment and clothing distributor
	General Manager	Company X*	Computer hardware
Local Functional Manager	M.D. for Total Quality	Alcatel	Communications, energy and transport
	Quality Manager	Hewlett- Packard	Computers and electronic instrumentation
	Mediterranean Sales Manager	Medical Electric*	X-ray equipment

ii) Results

The results of our research did not support conventional wisdom in three specific areas.

Conventional wisdom suggests:

- a. that most managers should have a global mindset
- b. that managing internationally means managing globally

- c. that in the process of internationalisation the internal and external tasks of the manager are affected equally.

We would challenge these suppositions on the basis that:

a. *Few industries require global organisations with global strategies, and few firms have developed global operations where every manager needs to be a global manager.* Most managers do not need a global mindset which does not distinguish between the local and the international dimensions, as relatively few managers have jobs which are globally integrative in nature. For example, in ABB the trend is towards a federation of multidomestic companies, where the characteristics of the industries in which the different businesses compete determine the degree of globalisation of the different companies in order to benefit from economies of scale and global knowledge-sharing. Indeed, Percy Barnevik, ABB's CEO, states that only 500 of his 15,000 managers have «global» responsibilities.

Managing internationally does not affect all levels within the organisational hierarchy equally, not even in organisations which are already highly internationalised. We may be witnessing, as most of the cases explored by our team show, a substantial degree of internationalisation of certain managerial posts formerly performed primarily within a single country (for example, in quality control, production logistics, and human resource functions such as recruiting and career development). However, it is only at the highest level of management in highly internationalised companies, as in the case of the V-P for Strategic Planning in our sample, that no distinction is made between national and international boundaries. At these high levels in the organisation, data received from different countries or from the different companies that make up the corporation are homogenized, interpreted and aggregated and global strategic decisions are taken.

Moreover, at these senior levels and in highly professionalised companies, managers have already achieved a high level of personal proficiency in international operations and their careers have usually developed through international assignments. For them, internationalisation is not a «process» in which they are currently immersed but the medium through which their professional lives have developed. This is true not only of very senior managers but also of managers in certain positions in, for example, R&D, purchasing or logistics, which could be global in nature due to economies of scale and scope.

b. *Managing internationally mainly means managing regionally.* The companies we approached show that «regional management» is more widespread than «global management» across the managers in international companies. For the vast majority of managers, internationalisation merely means extending their influence from national to regional markets rather than assuming worldwide responsibilities. This type of internationalisation also occurs when national champions operating mainly in their own countries expand their activities across borders through mergers, acquisitions and alliances or foreign direct investment from one country to multiple countries. Thus, the managers of less internationalised companies have similar problems to those of internationalised companies. Each manager within a company that operates internationally has his or her own specific areas of influence and competence, both externally and within the organisation, both in the home country and abroad. The fact that this influence is limited to a certain geographical region, as our research indicates, demonstrates the need for managers to have an international perspective but not necessarily a global one. Except for the manager at Philip Morris, the activities of all the managers in our sample were confined to Europe or a region within Europe.

The movement towards operating on a regional basis is not always easy. In two of our cases we found that the managers experienced problems following regionalisation as the restructuring of the organisation totally changed the character of their jobs. Such organisational upheavals undoubtedly present a challenge to those affected by them and can lead to frustration in adapting to the new circumstances. The inevitable changes are usually relatively easy to adjust to, although in some cases they are more keenly felt.

In Medical Electric, for example, the Mediterranean Sales Manager, whose post was created as a result of a takeover by an American company, experienced difficulties as a result of the reorganisation. In the new structure, important decisions were made at the regional headquarters in France and he felt constrained as he was unable to negotiate directly with clients and make decisions concerning discounts, credit, delivery dates and customisation, as he had done before in his post as Sales Director of the Spanish subsidiary.

This difficulty in the process of regionalisation has also been identified by Blackwell, Bizet, Child and Hensley (1992), who found that many attempts at regionalisation were unsuccessful because «the commitment to moving beyond traditional national structures failed to take firm enough root, the needed levels of skill capability were not available, or the infrastructure of shared systems and processes was not adequately supplied».

c. Our exploratory research indicates that the internationalisation of management affects the manager's internal task more than it does his/her external activities. This is a natural consequence of the increased need for integration of the company's activities. The range of tasks that we found international managers undertook is comparable to that of managers in companies that are local in nature.

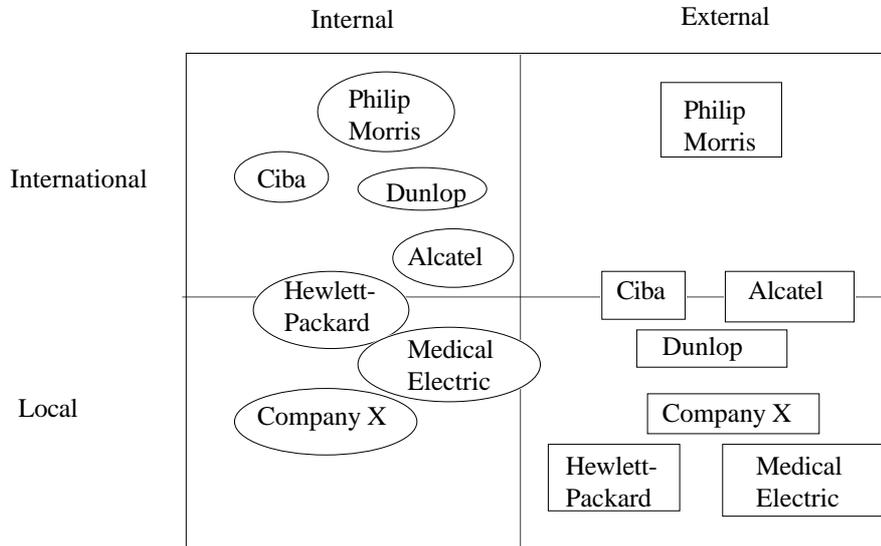
The key internal task common to most managerial positions is that of coordinating activities within the company. When a firm goes international, the geographical, cultural and psychological distance makes coordination more difficult. Thus, international managers allocate a significant amount of time to this concrete task, not only coordinating the business activities of the different units within the organisation but also coordinating in terms of cultural aspects, policies and know-how. Of course, different managerial positions are affected in different ways by this integration imperative.

At Philip Morris, the V-P of Strategic Planning devoted a great deal of his time to global activities, making no distinction between local (US) and international tasks. On the other hand, our managers at Medical Electric and Company X were mainly involved in local operations with a very small international content. The main task of the head of Ciba in Spain was to supervise the head of the local operating companies within the country, as Ciba is organised by global product divisions headquartered in Basle (Switzerland).

iii) Mapping the managerial task

As part of our research we looked closely at the nature of the job of each of the seven managers in our sample in terms of its external and internal components. The resulting map, shown in Figure 4, demonstrates that the degree of internationalisation of tasks carried out inside and outside the organisation is different for different positions.

Figure 4
Mapping the Managerial Task



iv) External Managerial Tasks

All the managers had, to a greater or lesser extent, contact with stakeholders outside the firm. The managers from Ciba, Medical Electric and Company X made visits to customers to build relations, find out about their needs and generally keep in touch with the market. The Hewlett-Packard Quality Manager made consultancy visits to customers to provide operational support. Publicising the company and its products was a significant part of the job of the country managers. The Group Company Head of Ciba (Spain) sought to develop contacts with various sections of the media and arranged special publicity events as part of this activity. A major task of the Managing Director of Dunlop S.A. was to develop relations with the trade to increase their confidence in the product and he did this by, for example, attending trade fairs. Company X's General Manager was responsible for advertising nationally and internationally.

Contact beyond the boundaries of the company was often with institutions, either locally or internationally. This was particularly the case with the Senior Vice-President of Corporate Planning at Philip Morris. He was a member of the boards of directors of a variety of international cultural, economic and civic organisations. He also developed and cultivated relationships with government representatives in the countries in which Philip Morris operated.

The Ciba Country Manager was required to represent his company in dealings with regional and central government in Spain.

Obtaining information in order to operate more effectively was central to the role of all the managers in our sample. For the functional managers, it was particularly important that they kept up to date with current developments in their particular field. The two Quality Managers, in Hewlett-Packard and Alcatel, differed in their approach to this activity. The

Hewlett-Packard manager obtained the information he needed at a local level by attending conferences and seminars on Quality issues and participating in benchmarking with other firms in Spain. The Total Quality Manager from Alcatel attended meetings and exchanged experiences with companies outside the Group, both internationally and in Spain.

The headquarters manager in Philip Morris built up contacts with investment bankers, lawyers and management consultants in New York, who acted as advisors to the company.

From an analysis of the range of activities described above we have identified three types of external managerial tasks. These are:

- a. Relations with stakeholders.
- b. Institutional relations.
- c. Gathering know-how.

Figure 5 shows the importance of these external tasks in the work of the managers in our sample.

Figure 5
External Task: Local v. International

	Local	International
1. Institutional relations	Ciba Philip Morris	Philip Morris
2. Gathering know-how	Hewlett-Packard	Alcatel
3. Relations with stakeholders	Ciba Dunlop Medical Electric Company X	Philip Morris Alcatel

v) Internal Managerial Tasks

The tasks carried out by managers within the company at a local level were largely those of coordination and control. The Quality Manager in Alcatel, for example, defined and developed the Quality Assurance system and ensured that the philosophy and methodology of Total Quality was disseminated throughout the Business Units. Ensuring adherence to policies defined by Group headquarters was the major task of the Ciba and Dunlop managers. The Ciba Country Manager was charged with fostering the Ciba culture and the general policies of the Executive Committee vis-a-vis all stakeholders, and ensuring that Executive

Committee guidelines on communication, safety, environmental protection, personnel policy, local legal requirements and good citizenship were adhered to. Similarly, the Dunlop manager was responsible for ensuring that BTR credit policies were strictly adhered to.

Other tasks included administration (Hewlett-Packard and Dunlop); executive evaluation and rewards (Ciba); development and presentation of training courses (Alcatel and Hewlett-Packard); and communication in its various forms.

In addition to these coordination, control and general management tasks, the jobs of the managers at Alcatel, Ciba, Hewlett-Packard and Medical Electric included an advisory element. The Ciba manager acted in an advisory capacity to the Executive Committee. The Total Quality functional managers in Alcatel and Hewlett-Packard provided guidance and support in operating Total Quality and were members, respectively, of a Standard-Setting Committee and a European Task Force to develop a 5-year European business plan. The manager in Medical Electric was a member of the company's Customer Service and Account Management Task Forces.

When we analysed the spread of tasks carried out by each manager within the firm we found that the tasks fell into two distinct categories: those for which the manager had direct performance responsibility (either locally or internationally), which we have called Executive Tasks, and those in which the manager makes an expert contribution, or participates in policy-making or systems and procedures development, which we have termed Consultative Tasks.

We have found in our research that the internal consultative tasks are generally more affected by the process of internationalisation than the executive tasks.

For six of the seven managers, the internal executive tasks of coordination, control and general management were largely local in character. Issues such as span of control and geographical dispersion imposed limitations on the scope of their task. Their international internal executive tasks were therefore mainly confined to reporting to headquarters. Only the manager at Philip Morris, who was the only manager holding a headquarters post, had executive tasks which were global in scope.

The tendency we identified in our small sample was towards an increment in the international consulting activities of operating managers, who still retained their executive tasks. Consultancy tasks were the main international activities of the Quality Managers and Ciba's Country Manager. The managers in Medical Electric and Company X had the scope of their executive activities reduced as a result of European centralisation, but their consultative activities increased through their involvement in European committees; however, both managers felt that this change was detrimental to their level of job satisfaction.

These findings are summarised in Figure 6.

Figure 6
The Findings: Cases

	<u>LOCAL</u>	<u>INTERNATIONAL</u>
– The INTERNAL task:		
1. Executive	High	Low
2. Consultative	Low	High
– The EXTERNAL task		
1. Institutional relations	High	Low
2. Gathering know-how	Low	High
3. Relations with stakeholders	High	High

vi) Overcoming barriers to international managerial efficiency

A number of design tools for internally coordinating the operations of international companies do exist. However, it is increasingly acknowledged that no matter how sophisticated or even proven these committees and systems may be, they do not guarantee that the organisation will perform successfully. As Blackwell, Bizet, Child and Hensley (1992) say: «Once the most suitable form of organization has been identified, the problems really start.» For these authors, typical problems include the lack of widespread commitment, power barriers, and a lack of communication skills –that is, issues which mostly have to do with what we have called the internal dimension.

Why do the problems in international organisations tend to lie in the implementation of systems rather than in their design? We suggest that the origin of these problems is to be found in the underlying social structure of multinational corporations, spanning nationalities and cultures. Different social systems or networks of informal and political relationships are to be found within all types of organisations, even those in a single location or operating in only one society. Having to cope with a plurality of informal social systems presents a considerable challenge to the efficiency of managers. In the case of organisations that operate internationally, units are differentiated not only by the function or operations they perform but also by the cultural and social make-up of their staff (which impacts, amongst other dimensions, on their employees' attitude to power). These differences are aggravated by geographical distances and the lack of social cohesion among the various informal subgroups which are created, and this may seriously impinge on the ability of managers to get things done and to be successful.

A review of the classic literature on the main requirements for successful managerial action shows that it is precisely this lack of social and political cohesiveness that makes the

ability to coordinate «internally» the most crucial and elusive of managerial skills. If this is true in non-international organisations or operations, it is much more so in the management of international organisations. The ability to manage complex social systems is more important here than devising a strategy to take global scenarios into account or drawing complex organisation charts.

The works of authors such as Kotter or Mintzberg, whose main arguments have been confirmed by later research (Kurke and Aldrich, 1983; Luthans, Rosenkrantz and Hennessey, 1985; Kraut, Pedigo, McKenna and Dunnette, 1989), indicate that the main managerial tasks are those of managing interpersonal relationships; managing information; and decision-making. All these tasks demand a high level of interaction with subordinates, peers and superiors. These interactions take place through a large number of brief encounters, which should rely on a high level of trust and, at least, on a minimum degree of mutual personal and professional knowledge. In sum, efficiency within an organisation demands a rich web of social acquaintances which often cuts across organisational hierarchies and units, and through which trust, information and decisions circulate. Otherwise, organisational politicking and inefficiency may take over.

Managing internationally should not, therefore, be considered in a different category from managing *tout court*, but as a high point in the dimension of managing complexity.

4. Conclusions

The conclusions which we have drawn from our research may be grouped under four main headings relating to: the literature; the typology; our findings; and limitations and prospects.

i) Review of the Literature

The existing literature on managing multinational companies is rooted in the literature on managing complex organisations. It focuses on activities which take place inside the organisation rather than on those which take place externally.

In international organisations, the social distance generated by the different cultures, backgrounds, careers and experiences of the staff and their different interests (based on different functions or business units, positions in the value chain, or structural power) are aggravated by physical distance and in many cases by the lack of stable and long-standing relationships. This makes managerial performance extremely difficult, particularly as regards what we have termed the «internal» dimension of managing internationally. The nature of these difficulties points to the fact that the formal design of the coordinating mechanisms of international organisations would only partially solve these problems. Non-structured integration devices are more appropriate.

ii) The Typology

The typology which we have developed is not complex, and it may be better described as a classification of tasks rather than a typology of managers. We have emphasised

the international dimension of the managerial task and the manager's relationships with the external environment.

The primary use of our typology is in identifying the pattern of skills which managers need to have within a multinational organisation in order for that organisation to operate effectively.

iii) Preliminary Findings (I)

The results of our research show that while it is essential for managers to have an «international» outlook, the need for a global mindset is limited to a small number of managers in senior positions or in certain functional specialisms. For the majority of managers, managing internationally means managing within a given geographical region, rather than assuming worldwide responsibilities.

The internationalisation of an organisation affects different managerial positions in different ways; however, the internal tasks of the manager are more affected by the process than his/her external activities.

iv) Preliminary Findings (II)

What has emerged quite clearly from our research is that the degree of internationalisation of the internal managerial task depends on its nature. We have identified two different dimensions of the managerial task: the executive and the consultative. The former is related to those aspects of the business for which the manager has direct responsibility, the latter to those where the manager has a say but no direct vote, and which fall away from his/her span of control.

In the process of internationalisation, the consultative tasks of the manager are the ones most affected. The tendency in our small sample was towards an increment in the international consultative activities of operating managers. Issues such as span of control and geographical dispersion prescribe the limits of the executive dimension of the international task. At the operational level, the executive task is therefore mainly restricted to the local environment, where managers have the authority to change things. We found that the external task was, surprisingly, less significant than we expected, although it is increasing in importance.

v) Limits to the Study

We recognise that our study was limited in scope in a number of areas. Firstly, it concentrated on managers in MNCs. Secondly, with such a small sample it was not possible to include all possible managerial positions nor the diversity of organisational structures. Finally, it was limited to describing the facts as they were presented to us. More work is needed to investigate the extent of the formal and informal dimensions of managing integration and the importance of the external task.

vi) Challenges

There are now two major challenges facing us in our research into «Managing Internationally». It is important that we establish the precise roles that the Executive and Consultative tasks play in managing the opposing forces of integration and decentralisation within an international organisation. We also need to look at the effect that the different social contexts may have on the Consultative tasks performed by managers in an international environment.

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APPENDIX 1

The seven companies in our sample are:

1. Alcatel
2. Ciba
3. Company X
4. Dunlop S.A.
5. Hewlett-Packard
6. Medical Electric
7. Philip Morris

ALCATEL, S.A. - MANAGING DIRECTOR FOR TOTAL QUALITY

Company Background

Alcatel Standard Eléctrica is part of Alcatel Alstom, a worldwide industrial group focusing on communications, energy and transport. The activities of Alcatel Standard Eléctrica in Spain are concentrated mainly in the areas of Public Networks, Private Communications, Transmissions, Radio, Space, Cables, Services and Industrial Electronics. Sales in 1991 were around 1,300 million ECUs. It has around 6,000 employees.

Organizational Position

Reports to President and CEO (Spain). He is a member of the Quality Council, Organisation Committee, Strategic Planning Committee and Management Committee. He provides a service to all Business Units and coordinates the quality activities.

Responsibilities

To manage the Quality Department of the Alcatel Group (Spain) in order to ensure that products and services provided by the Group meet customer expectations at a competitive cost.

Individual Profile

The postholder holds a Doctorate in Telecommunications and a Master's degree in Economics. He has worked for Alcatel Standard Eléctrica, S.A. (previously Standard Eléctrica, S.A.) since 1961 and has held the following positions within the company:

Test Equipment Design Engineer

Quality Manager (Network Division)

Quality Engineering Manager (ITTE Headquarters Brussels)

Installation Operations Manager

Export Manager

Director Quality

Description of Job Content

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Defines and develops the Quality Assurance System and supports the Business Units in implementing the system.
2. Transmits to the Business Units the philosophy and methodology of Total Quality Management, mainly through the EFQM model.
3. Coordinates the Quality organisation of the Business Units.
4. Defines training in Quality and develops material if necessary.

B) Outside the Boundaries of the Company

1. Exchanges experiences with companies outside the Group.
2. Attends meetings and seminars not organised by Alcatel.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Represents the Spanish company in meetings with other Alcatel units about quality issues, e.g. the creation of common norms to regulate product sales between units.
2. Advises SQUIB (board representing the different Alcatel NV units to coordinate common actions concerning the improvement by manufacturers of the quality of components bought under global purchase agreements by Alcatel NV).
3. Participates in communication and training meetings, e.g. seminar on the Alcatel Way.
4. Gives technical support to other firms in the Alcatel Group.
5. Meets with other Alcatel NV companies to discuss reliability issues.
6. Prepares a monthly report for Alcatel NV (Brussels) on the implementation of ISO-9000 and Total Quality.

B) Outside the Boundaries of the Company

1. Represents the company in the EFQM (European Foundation for Quality Management).
2. Exchanges experiences with companies outside the Group, e.g. benchmarking with Digital Equipment Company and IBM.
3. Attends meetings and seminars not organised by Alcatel.
4. Senior assessor in the European Quality Award.

CIBA - COUNTRY MANAGER (SPAIN)

Company Background

Ciba operates worldwide in the areas of pharmaceutical, biological and chemical specialities. It has around 90,000 employees in more than 60 countries. It is organized into a two-dimensional matrix. The principal dimension is business, consisting of a sizeable number of largely autonomous Divisions which carry integral and global responsibility for their business in a defined market.

The second dimension of the matrix is geography, i.e. local organizations in a large number of countries/regions in the form of local divisions, which may be companies in their own right or Group companies forming an umbrella for several local divisions.

Organizational Position

Group Company head.

Responsibilities

Responsible for the overall performance of the company, the postholder shares responsibility for the consolidated overall results of the Group company. He acts as headquarters representative to Local companies and champions local company heads in their relations with Global business divisions at headquarters.

Individual Profile

A business graduate, he joined Ciba in 1971. Among the previous positions he has held are the posts of financial controller and director of finance and administration in Sao Paulo (Brazil), and finance director in Basle headquarters. He joined Ciba Spain as CEO in 1988.

Description of Job Content

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Fosters the Ciba culture and the general policies of the Executive Committee vis-a-vis all stakeholders.
2. Negotiates the achievement of annual objectives set by the Executive Committee with local division heads.
3. Creates the preconditions for the efficient operation of the Local divisions by providing financial resources, and efficient infrastructure and the required services.
4. Cooperates in setting up strategic agreements between Global and Local divisional managers.
5. Ensures adherence to Executive Committee guidelines on communication, safety, environmental protection and personnel policy.
6. Secures adherence to local legal requirements and good citizenship. Procures information for this purpose from local in-house sources.
7. Appraises executive performance with regard to remuneration, promotion and development, in agreement with the Global Division heads.
8. Meets monthly with local divisional heads.
9. Develops international communications - monthly newsletter and quarterly magazine.
10. Designs and presents training courses for group company and local division heads.

B) Outside the Boundaries of the Company

1. Represents Ciba in its dealings with regional and central government in Spain.
2. Visits important customers to resolve difficult problems, or at least once a year to maintain knowledge of the market, customers, distributors and sellers.
3. Develops contacts with media and arranges special publicity events.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Advises the Executive Committee patron.

2. Produces a quarterly review of progress for the Executive Committee.
3. Champions local company heads in relations with global business divisions and headquarters.
4. Attends meetings of country managers in Basle.

B) Outside the Boundaries of the Company

1. Establishes relations with local experts sitting on various committees in Brussels.

DUNLOP, S.A. - MANAGING DIRECTOR

Company Background

Dunlop S.A. is a distributor of racquets, balls, sports footwear and clothing.

In late 1989, Dunlop International (DI), a division of the large UK conglomerate BTR, realised that its Spanish distributor was in trouble, with sales down and unable to meet payments. As a last resort it was decided to form a wholly owned subsidiary, Dunlop, S.A., to recover the situation.

Organizational Position

Reports to the Marketing Director of Dunlop International Racquets, based in the UK.

Responsibilities

Appointed to turn around the company, after the Spanish distributor failed as a profitable business in Spain, and to win back credibility within BTR and the retail sector in Spain.

Individual Profile

British national with 20 years' experience in mainly financial positions in various countries. Worked for 2 years in another Spanish subsidiary of the BTR group.

This post was therefore outside the individual's area of expertise, moving into general management with an emphasis on marketing.

Description of Job Content

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Ensures that BTR credit policies are adhered to.
2. Deals with administrative issues on a daily basis.
3. General management of staff.

B) Outside the Boundaries of the Company

1. Public relations with trade.
2. Attends trade fairs.
3. Issues licences to clothing manufacturers.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Filters all kinds of requests for financial data and commercial information.
2. Interprets and communicates BTR policies and strategy.
3. Negotiates purchasing from other subsidiaries.
4. Negotiates credit from BTR headquarters.
5. Reports within the financial reporting system.
6. Negotiates the following year's business plan.
7. Meets quarterly with the Marketing Director of Dunlop International and other subsidiary heads.
8. Meets with CIC monthly.

B) Outside the Boundaries of the Company

1. Coordinates with purchasing departments of customers operating in different countries.

QUALITY MANAGER - HEWLETT-PACKARD COMPANY

Company Background

Hewlett-Packard is a company which «designs, manufactures and services electronic products and systems for measurement and computation.» Hewlett-Packard Spain was set up in 1971. In 1992 it had 600 employees in 5 locations around the country. Its annual turnover was around \$400 million.

HP's basic business purpose is to «provide the capabilities and support needed to help customers worldwide improve their personal and business effectiveness».

Organizational Position

The company is headed by the country manager. It is structured in four business units: computers, personal computers, electronic instrumentation and analytical instrumentation; plus the three service units: personnel, administration and quality. The local business unit heads report to the country manager, but also to the regional head of their business. Europe is divided into 4 regions. The managers of the service units report directly to the European manager of their specialism.

Responsibilities

The primary function of the Quality Manager is to ensure that key processes are continually improved in order to achieve a high standard of Quality management and increased customer satisfaction. It is his strategic responsibility to obtain and utilise information on the current and future needs of customers and their level of satisfaction, in order to ensure that the Hewlett-Packard product is of a superior value to that of competitors. The Quality Manager also contributes to management decisions on strategic direction, competitive issues and investments.

Individual Profile

A qualified electronics engineer, the postholder has worked for Hewlett-Packard since 1971 and has held the following posts within the company:

1971-78	Sales engineer T&M
1978-80	Sales manager T&M
1980-85	Divisional manager T&M
1985-89	North-east area manager
1989-92	Quality manager and branch offices manager.

Description of Job Content***Tasks Carried Out Locally******A) Within the Boundaries of the Company***

1. Presents formal training courses, provides consultancy and support regarding Total Quality and its methodology.
2. Conducts internal quality audits.
3. Participates in the Quality Management Committee.
4. Administers the Quality process.
5. Ensures that negative feedback on «Customer Satisfaction» issues is resolved.
6. Defines, plans and deploys development objectives.
7. Member of (H-P Spain) management committee.
8. Participates in customer workshops.

B) Outside the Boundaries of the Company

1. Attends seminars and conferences outside Hewlett-Packard.
2. Organises consultancy visits to provide operational support.
3. Benchmarking.
4. Identifies and reads books and articles on TQM to keep up to date with current thought and practices.
5. Visits customers.

Tasks Carried Out Internationally***A) Within the Boundaries of the Company***

1. Attends international training courses to obtain information on company-wide international guidelines and methods to deploy in local organizations.
2. Visits H-P sites in other countries to get ideas and share experiences.
3. Attends European Quality Community meetings.
4. Member of the European Task Force to develop a 5-year European business plan.

5. Provides guidance, support and mentoring to HP managers in countries outside Spain, e.g. Portugal.
6. Acts as co-reviewer in other countries.

B) Outside the Boundaries of the Company

None

MEDICAL ELECTRIC - MEDITERRANEAN SALES MANAGER

Company Background

Medical Electric-CFT produces different types of X-ray equipment, scanners, ultrasonic and magnetic resonance machines for a wide range of medical applications. Medical Electric-CFT is the result of the absorption of Compagnie Française de Technologie, Division Hospital, by Medical Electric, a high-growth business unit of Brewster Electric, one of the world's largest companies.

CFT was founded in France at the beginning of the century, and produced electrical and electronic equipment. The division producing health care equipment was CFT Hospital.

The Spanish subsidiary of CFT Hospital was founded in 1968 through the acquisition of a small family business. In 1987 the company merged with the medical electronics division of Medical Electric and with this merger came a restructuring of functions. The post of Marketing Manager of Medical Electric-CFT was divided between the newly formed positions of Sales Manager - Mediterranean Area, who became responsible for the sales aspects of the post, and a Services Manager, previously responsible for the service division of Medical Electric CFT, Spain.

In 1990, Medical Electric Inc. initiated an aggressive drive towards globalisation. Medical Electric-CFT was amongst the first subsidiaries to undergo this process, resulting in previously decentralised marketing decisions being centralised in the European headquarters in Paris.

Organizational Position

Sales and Marketing Director (roughly equivalent to Vice-President, Marketing and Sales in the USA).

Responsibilities

Responsibilities have changed as the effects of the merger make themselves felt. Before the merger and during its first two years the postholder was responsible for local P&L. As the merger consolidated, the post has become increasingly sales oriented.

Individual Profile

An engineer in his late forties, the postholder holds a postgraduate degree in business. He is well respected in the closely knit community of physicians who form his client group.

Description of Job Content Under CFT prior to the Merger

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Responsible for the setting and achievement of sales quotas in 2 Spanish regions.
2. Holds joint responsibility for production scheduling.
3. Determines personnel policies regarding recruitment, deployment, training, remuneration, incentives and termination.
4. Ensures effective technical service provision.
5. Member of the subsidiary's multifunctional management team.
6. Plans marketing.
7. Allocates resources.

B) Outside the Boundaries of the Company

1. Builds relationships with clients to get to know their needs.
2. Adapts clients to a uniform European market.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Provides input to the strategic planning process.

2. Follows up international clients.
3. Monitors and analyses the competition.

B) Outside the Boundaries of the Company

1. Visits international clients.
2. Attends international seminars and congresses.

Under Medical Electric-CFT post-merger

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Sets margins and sales volumes.
2. Attends organisation and financing meetings in Paris.

B) Outside the Boundaries of the Company

1. Develops and maintains relationships with clients.
2. Visits hospitals.
3. Attends national seminars, congresses and conferences.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Attends annual meeting in Paris to receive sales plan.

B) Outside the Boundaries of the Company

1. Member of the customer service and account management task forces.

PHILIP MORRIS - SENIOR VICE-PRESIDENT OF CORPORATE PLANNING

Company Background

Philip Morris is one of the largest international firms in consumer packaged goods, with 166,000 employees worldwide. It owns the best-selling cigarette brand in the world, the second largest food company worldwide and the second largest US brewer.

A self-defining statement says: «We are a global consumer products company, manufacturing and marketing tobacco, food and beer brands around the world. Our broad based operations generate strong and growing returns for investors by answering consumer needs with low-priced, high volume, quality products. We are committed to the highest standards of ethics and fairness in all our activities and operations.»

Recent acquisitions have been critical for a company that has been traditionally dependent on tobacco, a product which is under attack by various sections of the public.

Responsibilities

Among the major responsibilities of this post are the establishment of dividend policies and decisions about international growth.

This is a «corporate headquarters» position concerned with global planning, in terms of products and geographical location. The post is intrinsically international in nature, and the postholder makes no distinction between his national and international, USA and overseas activities.

Individual Profile

A US national, the postholder has worked as a general manager and finance manager in various countries. He has held his current post for 5 years.

Description of Job Content

Tasks Carried Out Locally

A) Within the Boundaries of the Company

1. Develops growth strategy.
2. Determines dividend policies.
3. Prepares a 5-year strategic plan.
4. Participates in annual budgetary processes.

B) Outside the Boundaries of the Company

1. Contracts firms of international management consultants whose main office is in New York to work on general management activities, business strategy, competitive analysis and other business management services appropriate to a global parent company.
2. Meets with international investment bankers, most of which are headquartered in New York. 65% of these transactions represent non-US mergers or acquisition activities, and of those almost two-thirds are European business transactions.
3. Meets with international lawyers to obtain advice and support regarding business transactions (mergers, acquisitions or divestitures) by the parent company around the world.

Tasks Carried Out Internationally*A) Within the Boundaries of the Company*

1. Maintains contact with managers across the world.
2. Visits overseas operations for 1 or 2 months each year.
3. Encourages the development of informal networks through the creation of «arenas» where these may be formed.

B) Outside the Boundaries of the Company

1. Develops connections with local institutions at the request of the local officers.
2. Responsible for mergers and acquisitions.
3. Maintains board of director affiliations and memberships of a variety of international cultural, economic and civic organisations, including the Brazilian Cultural Foundation, Council of the Americas and the USA/Canada Economic Council.
4. Develops and maintains relationships with government representatives in the countries in which the company operates.

COMPANY X - GENERAL MANAGER (SPAIN)

Company Background

Company X, founded in the USA in 1951, is a computer hardware manufacturer, active in office automation and computation for the financial services, government, professional and legal services, manufacturing and imaging sectors.

The company began a process of internationalization in the 1960s, opening offices in Belgium, the UK and Taiwan. During 1987 the company was reorganized from a horizontal structure to four vertical segments (financial services, government, legal services and manufacturing) and a horizontal segment (imaging). Activities were focused on the areas of quality and customer care.

A shift to globalization started in 1989. In the first phase, all European subsidiaries had a general manager in charge of marketing, sales and services. All departmental managers reported to his or her general manager, and a regional manager in Brussels. Recruitment, asset acquisition, financing, product development and other activities required approval from corporate headquarters, and R&D was centralized in the USA.

In Phase Two, the European subsidiaries were granted organizational autonomy, with authorization to recruit local R&D teams and decide sources of financing without recourse to headquarters, in order to allow them to respond more easily to customer needs. At the same time, a group consciousness emerged between these countries and they developed European objectives for such things as sales and margins.

In 1991, Phase Three divided the European countries in which the company operated into four geographical regions. The region in which Spain was located also included Portugal, Italy and France, where the regional headquarters was located. Marketing, Finance and Projects were then centralized in the regional headquarters under the regional general manager; sales and human resource management reported to the local general managers and R&D returned to the USA.

Organizational Position

General Manager (Spain)

Responsibilities

Changed from a general management to a predominantly sales/marketing role.

Individual Profile

A qualified engineer, he held positions in sales and marketing in other organizations before joining Company X during Phase Two of their restructuring process.

Description of Job Content

Tasks Carried Out Locally

Phase 2

Phase 3

A) Within the Boundaries of the Company

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. General management and control of marketing, sales and services, projects, personnel and finance. 2. Preparing control reports for general management and European headquarters 3. Recruitment of staff. 4. Investment in assets. 5. Local R&D projects. | <p>Coordination of sales and Human Resources.</p> <p>Preparing control reports for European headquarters</p> <p>Strategy and gross margin revisions</p> |
|---|---|

B) Outside the Boundaries of the Company

1. Customer visits.
2. Obtaining finance from local financial institutions.
3. National advertising.

Tasks Carried Out Internationally

A) Within the Boundaries of the Company

1. Reviews results with general manager
2. Sets international sales targets, contribution margins, expenses and cash flow.
3. Produces a quarterly summary of target achievement.
4. Discusses strategy, pricing and market share.

B) Outside the Boundaries of the Company

1. Advertising throughout Europe.
2. Follow-up of international customers.

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