

Principles of Human Resource Management
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Module No. #07
Lecture No. #22
Global Employment Law, Industrial Relations & International Ethics

Welcome back, to the class on, Human Resource Management. We were talking about, International HRM.

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And, in this lecture, i will introduce you, to a few aspects of, International Human Resource Management, specifically, global employment law, industrial relations, and international ethics. We have talked about, employment law, in the context of India. We have talked about, industrial relations, in general. And, we have talked about, ethics, and the law, in general. Now, we will talk about, the application of these concepts, to the global environment, from the perspective of, the human resource manager.

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Sources

Briscoe, D.R., Schuler, R. S. & Claus, L. (2009). *International human resource management: Policies and practices for multinational enterprises*. NY: Routledge.

Gomez-Mejia, L. R., Balkin, D. B. & Cardy, R. L. (2012). *Managing human resources (7th Ed.)*. New Delhi: PHI Ltd.

Sources. The book by, Schuler, Briscoe, Schuler, and Claus. And, the book by, Gomez Mejia, Balkin, and Cardy.

The institutional context of international business

(Briscoe, Schuler & Claus, 2009)

- International organizations
 - UN
 - ILO
 - OECD
 - WB & IMF
- International trade organizations & agreements
 - WTO
 - NAFTA
 - Mercosur/Mercosul
 - Andean Community
 - ASEAN
 - APEC
 - EU
- Commercial diplomacy

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Let us get on with it. Okay. The institutional context of international business, includes international organizations. So, when we talk about, where these organizations are situated, we talk about organizations, that govern the workings of these organizations. The United Nations. International Labor Organization. OECD. World Bank and Indian Monetary Fund. International Monetary Fund, i am sorry.

International trade organizations and agreements. So, we have the, World Trade Organization. we have NAFTA. we have Mercosur. we have the, Andean Community, ASEAN, APEC, European Union, etcetera. And, we have, Commercial Diplomacy. So, various ways in which, the functioning of organizations, that are situated internationally, is monitored. Okay. Various organizations, that help us, stay within the confines of, international law. Okay.



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The institutional context. Again, commercial diplomacy. When we talk about, commercial diplomacy, we are talking about, trade negotiations. We are talking about, impact of policy decision-making on nationals, of different countries. We are talking about, government regulations, within the host country, within the foreign country, that people are migrating, from within the parent country, where the organization is operating, whether which stage of operation, the organization is at, etcetera.

We have legislations. We have standards. What happens, if an employee does, something illegal. How, which country rules, which the law, which country will govern, the actions of this individual, etcetera. We have standards. When we produce, a product or a service, which standards, do we adhere to. Who will decide, what standard, we adhere to. Who will decide, how these standards are decided. And, who will implement, these standards.

So, how much of priority, do we give, to various standards, at the conceptualization, production, after sales, service, stages. Industrial subsidies. You know, how, where we get,

what kind of subsidies. How does the government help us, do various things? Where are these regulations. What do we need to do, in order to make sure, that we remain, within the confines of the law?

And, how can we take the maximum benefit, from the socio economic, and socio political environment, and the geographical environment, that we operate here. Corporate conduct is another issue, in commercial diplomacy.



Equivalent employment standards as stated by various international organizations
(Briscoe, Schuler & Claus, 2009)

- Freedom of association (i.e. the right to organize and bargain collectively)
- Equal employment opportunity and non-discrimination
- Prohibitions against child labor and forced (prison or slave) labor
- Basic principles concerning occupational safety and health
- Consultation with workers' groups prior to carrying out substantial changes such as work force reductions and plant closures
- Grievance or dispute resolution procedures
- Use of monitors (internal or external) to audit employment practices

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Equivalent employment standards, as stated by various international organizations are, you know, these are some of the issues, that we struggle with, when we operate in, more than one country. Freedom of association. How is unionization, how is collective bargaining, how is organized labor, treated in different countries. That is a big issue.

That is something, that the human resource managers, have to find out, and deal with, and communicates, to the rest of their organization. Equal employment opportunity and non-discrimination. We need to find out, the laws governing, equal employment opportunity, in every country, that we function in. We have to ensure, that we do not inadvertently, end up discriminating, against the different types of people, within a country, that we are operating in, that we may not be familiar with.

So, the onus lies, the responsibility lies, with the human resource manager, to find out these things, and work accordingly. Prohibitions against child labor and forced labor. Prison or slave labor. So, you know, i mean, what does the country, how does the country, defined child labor. What measures, does the country take, against people, who engage child labor. So, all of these things, need to be found out.

I do not know, if i gave you the example. I may have given you this example, of Rugmark. Ikea was found, you know. Ikea had outsourced, its operations. And, it was found that, one of the vendors are, some of the vendors, to Ikea, were getting the carpets made by children. And, or, were getting their carpets, from cottage industries, where children were employed. So, as soon as, Ikea came to know about this, they took corrective action.

And, they came up with, this whole concept of Rugmark. Which means, that Rugmark ensures that the, or, it is a seal, it is a stamp, that ensures that, the carpet has not been, made by children. Basic principles, concerning occupational safety and health. So, that is another one. We need to find out, where, which country says, what about occupational safety and health. The more populated areas, the more populated countries, the more populated regions, will have, or, should have, much more stringent regulations, for say, environmental health.

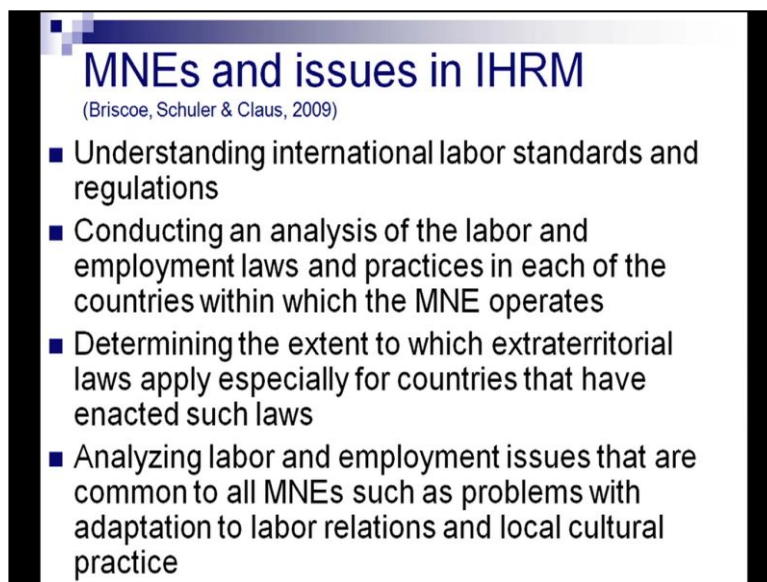
They should be, you know, we should be spending, much more on protective gear, in that region. The kind of work, we do, will also govern, how we, what kind of protective gear, we give to our people. Then, the topography of a region. For example, you are working. You are functioning in a very warm climate.

So, you send people from, you know, so, the kinds of provisions, you would make for such people in this kind of a climate, would be very different from the kind of provisions, you would make for people, in say, very cold climates. And, all that will. And, the kind of industry, mining industry would be different.

Textile industry, where fibers are floating around. That can likely, very likely, damage your respiratory system, would be floating around. Someplace, where there is lots of smoke, lots of heat, shards of metal, flying around. May be, glass flying around. So, how do you take care of your, the safety of your employees. Consultation with workers' groups, prior to carrying out, substantial changes such as, workforce reductions, and plant closures.

Again, this becomes a big challenge, when we are dealing with, multi-country or multi-national enterprises. Grievance or dispute resolution procedures. Yes, we all say that, you must go to your supervisor, if the supervisor does not agree, then you give something in writing, if that does not work, then, you go to a union, etcetera. But, it is very important to find out, what the law tells you, to do. And, this could be different, in different countries.

So, that is, and again, the culture could also govern, what you do, in case, you have a grievance. Use of monitors, internal or external, to audit employment practices. How do you audit, your employment practices? How do you audit, your procedures? What do you do. Who takes care of these things, is another challenge, that the HR professionals, operating in different countries, have to deal with.



MNEs and issues in IHRM
(Briscoe, Schuler & Claus, 2009)

- Understanding international labor standards and regulations
- Conducting an analysis of the labor and employment laws and practices in each of the countries within which the MNE operates
- Determining the extent to which extraterritorial laws apply especially for countries that have enacted such laws
- Analyzing labor and employment issues that are common to all MNEs such as problems with adaptation to labor relations and local cultural practice

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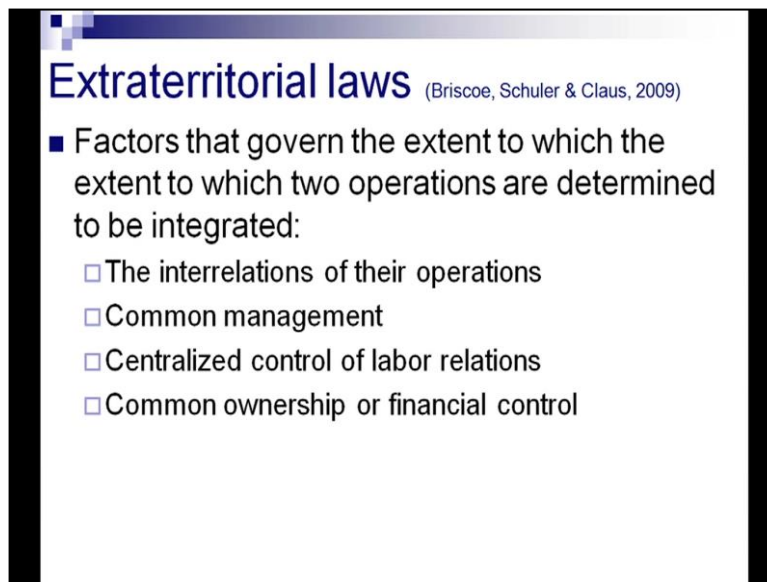
Understanding international labor standards and regulations, is very important for, international human resource managers, especially in, multi-national enterprises. We must conduct an analysis of the, labor and employment laws and practices, in each of the countries within which, the multi-national enterprise operates. I just told you this. Determining the extent to which, extra-territorial laws apply, especially for countries, that have enacted, such laws.

So, we have, you know, some laws are restricted, to the geographical region, that the country geographical region, that the company is in. Some laws, extend across the boundaries, of the geographical region. For example, child labor laws, are sometimes, even discriminatory, anti-discriminatory laws are, again, you know, they do not, they are not confined, to any particular geographical region.

Employee health and safety laws, in some cases, are its go above and beyond the region, the physical region, geographical region, that the organization is operating in. So, there are some laws, that are not restricted by geographical boundaries. And, it is the responsibility of the human resource manager to find out, what is applicable, where, and implemented, accordingly.

Analyzing labor and employment issues, that are common to all MNE's, such as, problems with adaptation to labor relations, and local cultural practices. Okay. so, it is very important to find out, where things are going wrong. What problems, come up. And see, how common solutions, can be drafted.

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Extraterritorial laws (Briscoe, Schuler & Claus, 2009)

- Factors that govern the extent to which the extent to which two operations are determined to be integrated:
 - The interrelations of their operations
 - Common management
 - Centralized control of labor relations
 - Common ownership or financial control

Okay. Extra-territorial laws are factors, you know, in the case of extra-territorial laws, the factors that govern, the extent to which, two operations are determined, to be integrated are, the first one is, interrelationship of the operations, in different countries, in a multi-national enterprise. The other is, the common management. On what levels, are you inter-dependent, on each other.

The other one is, common management. On what level are, you know, what are the policies of the organization, that are common to, both the offices of the organization, in different countries. Centralized control of labor relations, is another one. So, where, how do you govern, the labor relations. Where do you decide, whether the union should be accepted, as a part of the organization? And, where unionization should be avoided. How do you gauge, the pulse of the employees? etcetera.

Common ownership or financial control. How does the money get distributed? Where do you spend. Where do you think, you are making profits? In what terms, the currency of the host country, and the parent country, will. You know, how do you align these things. These things, change on a daily basis. And, laws govern these things. Okay.

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Application of national law, to local foreign-owned enterprises. You have comparative law. We could have, laws for immigration and visas. So, visas visitor's intention to stay abroad, which is the permission, that the host country gives, to the parent country nationals, to come and work in that country. So, you have to justify. And then, they say, okay, you can work in this country, for these many months, or years, or whatever.

Immigration is movement, with bag and baggage, to a different country. Comparative law. Data privacy and protection. Again, foreign-owned enterprises. It is very important to protect,

the data of the employees, in any organization. And, the laws governing data privacy, are different. They vary from, country to country. Anti-discrimination laws, like i told you. Termination and reduction in workforce. In some countries, the laws will be very clear on, when you can, terminate your workforce.

And, what action, can employees take, if they feel, they have been treated unfairly. In other countries, this will not be, as clear. So, one has to be very careful. Now, this can happen, in three situations. Either, the business closes down, or, the work place closes down. Business closing down means, your business is dead. You are winding up operations. You just have to let go, of your employees. Or, the workplace, the building, that you worked in, is no longer safe.

Or, has to be, you know, is being, it was rented, and somebody needs it back. Or, it is not safe, anymore. So, you know, your physical location, is closing down. Or, diminishing economic need for the work. You want more technology, to deal with. You have automatized, many of your operations. Then, you do not need, that many people, anymore. So, you need to terminate, some of your employees. You need to reduce, your workforce.

But, how do you do that, will be governed, by the local laws, in that region. And, that is something, that the human resource manager, is responsible for, finding out and adhering to. Intellectual property. Big thing. That is one of my pet peeves. You must always acknowledge, the contribution of another person. A person, who has created a piece of knowledge, should always be given due credit, for it. Now, how intellectual property is protected, in different parts of the world. You know, it varies from, country to country.

The laws governing this are, different from, country to country. You must have seen, that in all of my slides, i have a little, you know, i always give the reference of the sources, here. Now, this is very, very, important. This is not something, that i have come up with my, you know, on my own. This is not something, that i have, had an insight about. I have taken this information, from a book, written by Briscoe, Schuler, and Claus.

I have already shown you, that book. So, i am acknowledging the work, that these authors have done. And, i am giving them, due credit for it. This is called, protection of intellectual property. At all costs, must the employees of the organization, protect the, or, give due credit

to anyone, who has created, some piece of knowledge, that they end up using. It is absolutely essential. (Refer Slide Time: 15:37)



International Labor Relations
(Briscoe, Schuler & Claus, 2009)

- International union membership
- Evolution of international labor relations and organizations
 - World Federation of Trade Unions (WFTU)
 - International Confederation of Free Trade Unions (ICFTU)
 - International Trade Union Confederation (ITUC)
 - European Trade Union Confederation (ETUC)
 - World Confederation of Labor (WCL)
 - Trade Union Advisory Committee (TUAC) of the OECD
 - Global Union Federations (GUFs)

Various organizations, various associations, governing, international labor relations are, you could have, unionization, on an international level. It does not have to be local. You have front-line employees, in different factories, of the same company, in different places. So, these people could get together, online. They could find a way, of getting together, and working. So are, unionizing, or collecting together, and having a common voice. And, that international union membership, is one big concern, for any international human resources manager.

Evolution of international labor relations and organizations. Various organizations, looking after the international labor relations are, one is the World Federation of Trade Unions, International Confederation of Free Trade Unions, International Trade Union Confederation, European Trade Union Confederation, World Confederation of Labor, Trade Union Advisory Committee of the OECD, Global Union Federations, etcetera. So, various organizations, that allow for unionization, internationally.

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In practical terms, unions view MNEs as being able to

(Briscoe, Schuler & Claus, 2009)

- Locate work in countries with lower social protections and lower wages and benefits, staying away from countries with stronger unions and stronger protections and higher wages and benefits
- Force workers in one country, faced by competition from workers in other countries, to 'bid down' their wages and benefits to keep their jobs
- Take advantage of differences in legally mandated benefits for workers by restructuring the operations in countries where the costs of work force adjustments are lowest and thus force excessive dislocation burdens on workers in these low-benefit countries
- Outlast workers in the event of a labor dispute in one country because cash flows (and the ability to maintain business) are at least partially maintained by operations in countries where there are no disputes

In practical terms, unions view multi-national enterprises, as being able to locate work in countries, with lower social protection, and lower wages and benefits, staying away from countries, with stronger unions, and stronger protection, and higher wages and benefits. Now, the unions, the international unions feel, that multi-national enterprises, deliberately look for work in countries, where the wage rates are low. And, they do not like it. Okay.

This is, their perception. They feel that, the multi-national companies, are multi-national. Because, they are trying to, suck the maximum benefit out of, the minimum amount of effort. That is the key to, profit-making. But, they feel that, this is unfair for them. Because, they go to countries, where there are lower social protections. They force workers in one country, faced by competition, from workers in other countries, to bid down their wages and benefits, to keep their jobs.

Unions. Multi-national unions, and these multi-national enterprises, seem to feel that, organizations, multi-national enterprises, threatened them, either blatantly, or very surly, in terms of telling them that, you know, if you do not do this for a lower wage, i will go and set up an office in a country, where the wage rates are much lower, and get the labor from there. So, if somebody tells you that, and you already, you need the job, what will you say.

You will say, okay, i will keep the job, i will work for a lower wage. As opposed to, exercising your union power, and saying, no, my minimum wage has to be this much. And, if you do not give it to me, i will quit. You cannot say that, when the organization has an

option, of setting up an office in a country, where the cost will be much less. So, that is what, union seem to feel. Unions also feel that, MNE's, multi-national enterprises, take advantage of, differences in legally mandated benefits for workers, by restructuring the operations in countries, where the costs of workforce adjustments, are the lowest.

And, thus force, excessive dislocation burdens on workers, in these low benefit countries. They feel that, employees feel that, they are forced to relocate to places, where the cost of living is much lower. So, they are paid, lower salaries. And, they feel that, you know, they will build that stipulation, into their contract, and say transfers are inevitable, and they will put these people, there.

And then, you know, the house rent allowance will go down. And, so people feel, seem to feel, cheated. Outlast workers, in the event of a labor dispute, in one country, because cash flows, and the ability to maintain business, are at least partially maintained by operations in countries, where there are no disputes. So, unions also feel that, multi-national enterprises seem to look for places, where people do not, or, not very keen on, fighting the management.

They accept, whatever the management gives them. And, there is a lot of, the cash flow is higher, from these places. So, the companies can afford, lockdowns and strikes. They do not have to give in, to the demands of the unions. So, these are some of the challenges, that HR managers, in multi-national enterprises, have to deal with.

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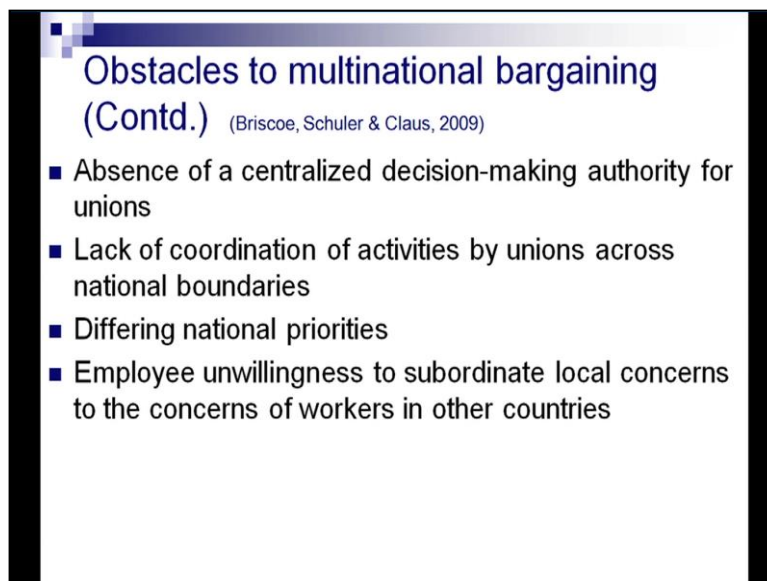
Obstacles to multinational bargaining
(Briscoe, Schuler & Claus, 2009)

- Diverse industrial relations laws and practices in different countries
- Lack of any central, international authority for labor relations or global labor law
- Major economic and cultural differences among different countries
- Employer opposition
- Union reluctance at the national level, because the national leadership often fears that multinational bargaining will transfer power from them to an international leadership

Obstacles to multi-national bargaining. When, you are a part of a, multi-national enterprise union, there are some obstacles, that one can come across, on both sides, if you are an international HR manager, or a union member. Diverse industrial relations laws and practices, in different countries, will govern, how you, they could govern, how you bargain, at what level you bargain, what is mandatory, what is legal, what is illegal, etcetera.

Lack of any central international authority, for labor relations, or global labor law. So, if you do not have any international, internationally governed labor law, then people feel that, one side or another, could end up taking advantage, of the more vulnerable side. Major economic and cultural differences, among different countries, is another issue. Employer opposition is another issue. So, union reluctance at the national level, because the national leadership often fears that, multi-national bargaining, will transfer power from them, to an international leadership.

So, various issues, that people feel, can hamper their, bargaining powers. So, they feel that, the employer could oppose their bargaining. They also feel that, the union may be reluctant, at the national level. Because, if at the national level, they revolt, they say something, the multi-national authority, the multi-national leader, may reject them. Because, it is not the issue, that may be important, at the national level, may not be as important, at the multi-national level.



Obstacles to multinational bargaining
(Contd.) (Briscoe, Schuler & Claus, 2009)

- Absence of a centralized decision-making authority for unions
- Lack of coordination of activities by unions across national boundaries
- Differing national priorities
- Employee unwillingness to subordinate local concerns to the concerns of workers in other countries

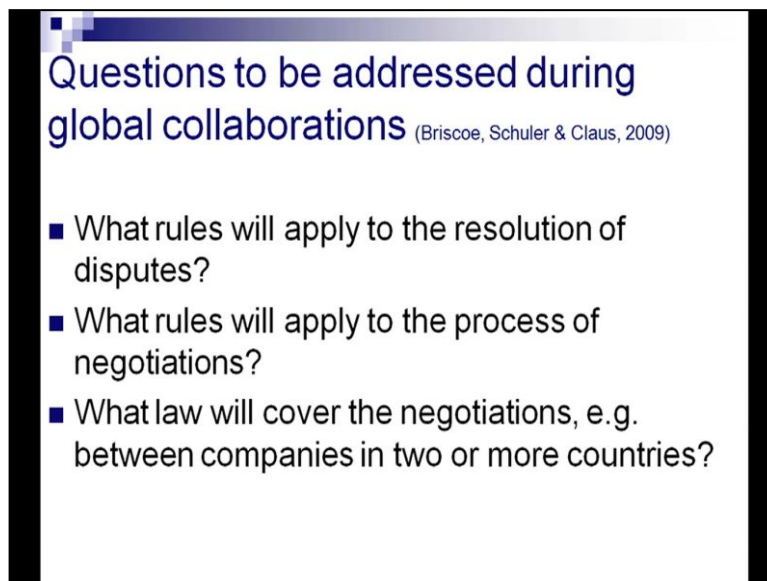
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Okay. Absence of a centralized decision-making authority, for unions. A lack of coordination of activities by unions, across national boundaries. Multi-national unions. Again, how do you manage, these operations. How do you convince people, in different countries, that some issues may be important for you? Differing national priorities is another one. How, you know, your personal needs, how you prioritize, whatever is important for you, may not be acceptable to people, in another country.

Employee unwillingness, to subordinate local concerns, to the concerns of workers, in other countries. So, they do not want to, i mean, again, you know, this is just same point, repeated in several subtle ways. And that is, that we do not want people, in another, we feel that, whatever we are saying, is more important than, the concerns of people, in another country.

So, we tend to prioritize our needs, ahead of the common needs. And, that can create problems. And, that can be a drawback in. Or, that can pull back our, or cut down, on our international bargaining power, as international union.

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Questions to be addressed during
global collaborations (Briscoe, Schuler & Claus, 2009)

- What rules will apply to the resolution of disputes?
- What rules will apply to the process of negotiations?
- What law will cover the negotiations, e.g. between companies in two or more countries?

Questions to be addressed, during global collaborations. When we collaborate, some questions, that we need to address are, what rules will apply, to the resolution of disputes. What rules. How will, disputes be resolved. What will happen. Which laws will apply. Will the laws of the host country, apply? Will the laws of the parent country, apply? What rules will apply, to the process of negotiations?

That is another one. What law will cover, the negotiations. For example, between companies, in two or more countries, which law will cover, the negotiations. That is another question, to be addressed during, global collaborations. So, which law will take precedence? Which rules will take precedence?

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Multinational enterprises and labor relations: Approaches (Briscoe, Schuler & Claus, 2009)

- Hands off: Local managers handle everything
- Monitor: Local managers handle everything but report to senior management who keep a tab on things
- Guide and advise: Constant advice from central management to local management
- Strategic planning: Global strategy governs local operations and management
- Set limits and approve exceptions: Very limited freedom of action. Exceptions need to be approved by headquarters.
- Managing totally from headquarters
- Integration of headquarters IHR and line management in the field: Global strategy works hand in hand with local mgmt.

Okay. Multi-national enterprises and labor relations. Some approaches. We have the various ways of approaching, labor relations, in multi-national organizations. We have the hands-off approach, where the local managers, handle everything. The central administration says, we do not want to have anything, to do with it. Then, the other approach could be, one step further, one step towards a collaboration, would be monitoring.

Local managers handle everything, but report of senior management, to keep a tab on things. So, the senior management says, okay, we want to know, what is going on. Hands-off approach is, you deal with your problems. Do not tell us, figure it out. You know, if something falls about, we deal with it. But, as far as possible, just deal with your problems, and be done with it. Monitoring means, you deal with your problems, but just keep us in the loop.

So, if we feel that, something is not going right, we can intervene. We would not, but we will, we would like to know, what is going on. Guide and advise. (Refer Slide Time: 25:28) So, slightly more engagement, from the parent company, from the core administration, from the

head-quarters. Guide and advise. Constant advice from, central management, local management.

They know, what is going on, and they constantly intervene, as and when required. Strategic planning is another one. Global strategy governs, local operations and management. The global strategy decides, whether, the global strategy decides the, or impacts the local operations and management. So, the rules are decided at the central level, and the strategy is decided at the central level, and it is applied, at the local level.

Set limits and approve exceptions. Here, very limited freedom is given, to the local managers. Exceptions need to be approved, by headquarters. So, that is another one. So, you know, as you can see that, each of these stages takes the, you know, talks more and more about, the engagement of the main administration of the organization. Managing, totally from headquarters.

Then, headquarters say, you just do, what we tell you to do. You do not take, any decision, on your own. Integration of headquarters, international human resources and line management, in the field. Global strategy works, hand-in-hand, with the local management. So, the head office, the central headquarters say that, you know, you just do, whatever we are telling you. We will take your interests, into account.

We will decide everything. And, you just sort of, you know, go along with, whatever we are telling you. Managing totally from headquarters, is slightly more aloof. They will say, we will tell you, what to do. We do not care, what is going on at the, grassroots level. But, when we talk about integration, we are talking about, the central headquarters, or the headquarters in the parent company, taking care of the local needs, and integrating them with the policies, that they have decided.

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Issues of concern to local union environments

(Briscoe, Schuler & Claus, 2009)

- Existing trade unions
- Level of organization
- Focus breadth
- Affiliations
- Type of workers
- Union density
- Focus of labor relations
- Negotiation partner
- Employers associations
- Operation method
- Issues typically covered by union agreements
- Binding force of union agreements
- Strikes and industrial action
- Union free

Issues of concern, to local union environments. The first is, existing trade unions, what is already there. Then, the level of organization, is another one. How, these local union environments, are organized. Focus breadth. What is the focus. How wide is the focus? Affiliations of people. Types of worker's union density. How many people are there, in the union. Focus of labor relations.

Negotiation partners. You know, who are you, negotiating with, etcetera. Employer's associations. You could have, employer's associations also. Not only the frontline workers, but the employers could get together, and form a confederation, and say, in this industry, this is the way, we will do it. So, operation method. How do you carry out, your operations?

Issues, typically covered by union agreements, are of concern to the local union environments?

Binding force of union agreements, could vary from country to country. Strikes and industrial action. What is the industrial action? What is the action, that organizations take, in order to deal with the strike?

So, what, with what kind of laws, govern the action, that organizations can take, to deal with any strikes, that may happen in their organization. And, union free kind of situation, in the organization, that could also vary, from country to country, and place to place.

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International Labor Relations (Contd.)

(Briscoe, Schuler & Claus, 2009)

- Works councils:
 - Made up of elected representatives of the firm's work force
 - Have the right to receive information and consultation relative to many decisions a firm makes
- Co-determination
 - Legal requirement in which employees are represented on supervisory boards or boards of directors and participate in major strategic decisions – agreement of employees required
 - Systems of co-decisions
 - **Dual system:** Supervisory board (consisting of 1/3 employees) supervises the board of directors
 - **Single tier system:** Only one board of directors & employees have one or two representatives
 - **Mixed system:** with obligatory participation of employees but only an advisory role

International labor relations. You could have, works councils, you could. Works councils are made up of, elected representatives of the firm's workforce. They have the right to receive, information and consultation, relative to many decisions, a firm makes. So, this is not a union. This is a slightly more.

It is a smaller kind of, a collection of union of the employees, of the organization. And, it is made up of elected representatives, within the firm's workforce. And, they have a right, to get all the information. And, they have a right to contribute, to the firm's decision-making. Co-determination is another way of establishing, international labor relations.

It is a legal requirement in which, employees are represented on supervisory boards, or boards of directors, and participate in major decisions, strategic decisions, taken by the organization. And, the agreement of the employee representatives, is required. Some systems of core decision-making is, one is the dual system, where the supervisory board consists of one third employees, and supervises the board of directors.

The single tier system, only one board of directors, and employees have, one or two. There is only one board of directors, and the only one or two representatives of the employees, are there. There is a mixed system, with obligatory participation of employees, but only an advisory role. They can only say, what can and cannot be done, and should and should not be

done. And, their opinions may be taken, may not be taken. So, they do not really have a say, in the decision-making. But then, they may. So, that is why, it is called a system of core decisions.

International Labor Relations (Contd.)
(Briscoe, Schuler & Claus, 2009)

- Litigation risks in global labor relations
- Development of a strategic global industrial relations policy

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Litigation risks in global relations, global labor relations, are another issue, that organizations deal with, from time to time. Development of strategic global industrial relations policy, is another issue that, people dealing with international, the human resource managers dealing with labor relations issues, deal with. So, how do you come up with, the industrial relations policy, that is acceptable to employees, all over the world, or in different parts of the world. What is acceptable to one, may not be acceptable to another.

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International framework of ethics
(Briscoe, Schuler & Claus, 2009)

- Ethical relativism to ethical absolutism
- Bribery and corruption:
 - Some countries consider bribery to be an acceptable business practice
 - Mexico: La mordida
 - South Africa: Dash
 - Middle East, India & Pakistan: Bakhshesh
 - Germany: Schimmengelt
 - Italy: Bustarella

Okay. International framework of ethics. We talked about absolutism. And, we talked about relativism, in one of the previous lectures. So, that can also be determined by, it varies from culture to culture, country to country. And, if an ethically absolutist culture, a company, that has an ethically absolutist culture, finds itself in an environment, where ethical relativism is prioritized over absolutism. Then, it can be, there can be conflicts, and vice versa.

Bribery and corruption is another thing, that people have to deal with. Some countries, consider bribery, to be an acceptable business practice. Again, this is from the book. So, i am guessing, it is okay. Mexico, it is not bribery. It is given, there are lot of words, given to it. In government offices, bribery is an offence, in most countries. But, here again, Mexico, it is called La Mordida. South Africa, it is called Dash. I hope, i am pronouncing these terms, right. Middle east, India, and Pakistan, you will say Baksheesh.

It is not accepted. The book says, it is an acceptable business practice. In India, Bribery is not accepted, but it happens. You know, let us admit it. It happens, you know, in private organizations. I do not think, there is any law, that governs the, that classifies, any money, that exchanges hands, you know, without documentation, as illegal. I am not very sure of this. Anyway, so, it is called Baksheesh. In Germany, Schimmengelt. In Italy, Bustarella.

So, various names, that have been given to this. The laws governing, the laws in that country, will determine, how much, and when this is considered, illegal. But, a bribe is a bribe. A bribe is a promise, that i am giving you this money, please do this for me, in return. And, a bribe should be avoided, at all costs. Okay. So, we will stop here.



Challenges to International HRM

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And, we will talk about, Challenges to International HRM, in the next lecture. Thank you, very much.