

# STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES OF WESTERN MNEs IN AFRICA: STANDARDIZATION, LOCALIZATION OR BOTH?

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## Abstract

*When Western multinational enterprises seek to transfer their preferred strategic human resource management (SHRM) practices to their subsidiaries in Africa, they face numerous challenges. Some of these challenges arise from Africa's particular cultural and institutional features. In Africa, parent country nationals (PCNs) prefer to standardize SHRM practices embedded in western values while host country nationals (HCNs) prefer to localize practices in accordance with African cultural and institutional specificities. This conceptual paper analyzes research on the motives and strategies for standardization and localization of SHRM practices and develops a set of propositions on how these practices are utilized in African subsidiaries of western multinationals. On the basis of published case examples I illustrate preferences for standardization, localization and a combination of both approaches. I discuss the implications of my study in terms of future research directions and lessons for practitioners.*

**Keywords:** MNEs, Africa, HRM, HCNs, PCNs, localization, standardization, dual approach.

## 1.0 Introduction

*A multinational company decided to try to boost employees' morale and enhance the productivity of employees by providing them with lunch. The workers resisted management's action and demanded that instead the cost of the meal be paid directly to them. The workers queried the action of management with the reasoning, 'How can we eat while our families go hungry?'*

The above situation described by Schneider (1998: 238), relates to a Western multinational enterprise (MNE)

operating in Africa. It demonstrates the collectivist culture of Africa and the challenges arising when western MNEs seek to implement company practices from their home country in their African subsidiary operations without taking sufficient account of local specificities; which are numerous and include cultural as well as institutional aspects.

Africa is deemed the most ethnically and linguistically diverse region of the world, with African ethnicities characterized by economic traits and distinct cultural norms (Michalopoulos & Papaioannou, 2013, 2015). The level of inequality across ethnic groups in Africa is