

IS THE INTERPLAY OF LOCALISATION AND STANDARDISATION OF HRM PRACTICES THE STRATEGIC OPTION FOR WESTERN SUBSIDIARIES IN GHANA?

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ABSTRACT

As part of sub-Saharan Africa, Ghana has not missed the opportunity to attract considerable investment from Western multinational enterprises (MNEs) due to its rich natural resources and potential for growth, yet presents specific challenges to these enterprises particularly when seeking to transfer their human resource management (HRM) practices to their operations in Ghana. A review of the International Business (IB) literature reveals a serious gap in the interplay of standardisation and localisation of HRM practices in Western subsidiaries in Ghana despite their growing presence. Using institutional theory as the theoretical foundation for this research, I examine how the normative institutional distance between Ghana and Western countries influence the standardisation and localisation of HRM practices of western subsidiaries. This research employs a qualitative multiple case study approach using semi-structured interviews with employees and managers in purposefully selected Western subsidiaries in Ghana and triangulate interview data with document analysis. This study contributes to the IB scholarly conversation on whether standardisation and localisation of HRM practices can be implemented concurrently. It explains methodologically how and why this occurs. The study also offers practical implications as to which practices to transfer and which not.

Keywords : MNEs, Africa, Ghana, HRM, localisation, standardisation, interplay