INDUSTRIAL RELATIONS PROBLEMS
OF UNITED STATES CORPORATIONS
ABROAD*

I. MANAGEMENT PROBLEMS

Barlow, E. R. Management of foreign manufacturing subsidiaries. Boston 63, Division of Research, Graduate School of Business Administration, Harvard University. 1953. 223 pp. $3.50.

A study of the management problems of 17 companies in 13 different industries which manufacture in Mexico. Of special interest are the chapters dealing with management organization in the United States and the degree to which authority is delegated to the foreign subsidiaries. The advantages and disadvantages of various types of organization are discussed. One chapter is also devoted to the recruiting, training, promotion, and compensation of executive personnel.


Concerned with ways in which top management can determine the effectiveness of the international division, the author includes discussion of problems of executive personnel management.


Based on the proceedings of the 26th National Business Conference sponsored by the Harvard Business School Association, this book presents the viewpoints and experience of leaders in education, business, finance, and government. The section on "Management problems and case histories," pages 59-237, includes discussion of executive personnel management and of labor relations.


The five companies reported on are IBM World Trade Corporation, Minneapolis-Honeywell Regulator Company, United Shoe Machinery

* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
Corporation, Norton Behr-Manning Overseas, Inc., and Westinghouse Electric International Company. Marketing, production, and financial problems, among others, are discussed. A report on the Minneapolis-Honeywell program for recruiting and developing management personnel is included in the material on that company.


The companies studied so far have been Sears, Roebuck in Mexico, W. R. Grace & Co. in Peru, the Philippine American Life Insurance Company, the Creole Petroleum Corporation in Venezuela, the Firestone operations in Liberia, and Standard-Vacuum Oil Company in Indonesia. The purpose of the series is "objective study of some selected cases in which U.S. business management has, in pursuance of normal and profitable operations abroad, taken positive steps toward raising living standards and helping to integrate into countries less developed than the United States the foundations of a more mature economy." The studies necessarily differ in content, depending upon the nature of the operations studied. Emphasis is upon the contributions made to the host country's basic economy, living standards, institutions, and culture.


Based primarily upon experience in the Netherlands, Belgium, and France, this report deals with the structure of the organization in overseas firms and with the degree and manner in which authority is delegated to overseas branch managements. It also discusses the use of nationals in executive positions.

II. EMPLOYEE RELATIONS


Starts off with an outline of "principles to be respected in initiating and developing successful overseas operations" and discusses the allocation of responsibility between overseas and domestic operations for both operations and employee relations. Personnel policies and practices affecting both national and non-national employees are also considered.


Mr. Larkin, who is Vice President of W. R. Grace & Company, describes briefly the adaptation of professional personnel techniques to conditions in Latin American subsidiaries. Mr. Cook of Ford International stresses the importance of understanding the social, ethnic, political, and economic background of the community through personal observation, library research, or company surveys and discusses a few of the differences between foreign and domestic industrial relations. Mr. Thomas of Standard-Vacuum Oil Company discusses recruiting, selection, and training of personnel for overseas service.


A good description of the comprehensive training program developed by Aramco for meeting the problem of providing an adequate labor force.


Outlines areas which the industrial relations program should cover and discusses the problems of policy and procedure which are peculiar to personnel management in foreign operations.


A survey of the practices of 31 United States companies regarding home leaves or furloughs and local vacations.


A survey of the practices of 37 United States companies with respect to shipping household goods, local housing, schooling of children, emergency trips, benefit plans, medical services, and recreation.


On the basis of their research for the U.S. Civil Service Commission, the authors discuss the major adjustment problems of overseas employees and outline the factors which should guide companies in selecting for these positions.
— and Alexander O. Stanley. "The vanishing American in overseas plants." *Dun's Review and Modern Industry* (99 Church St., New York 8), April, 1957. pp. 129-130, 132-136, 138-140. 75 cents. Survey of employment practices in 93 companies reports that foreign nationals outnumber American by 125 to 1. Reasons for this trend are given. In addition, the article reports on qualifications for overseas employment, reasons for failure, selection procedures, and personnel policies.


Compares cultural values of workers in Latin America and the United States, and discusses the importance of mastery of the Spanish language and what management can do to encourage this, problems of changing from a paternalistic to a democratic pattern in the plant community, relations with various governmental units, getting along with unions, and developing local supervisors.

III. COMMUNITY RELATIONS

Butler, W. Jack. "Public relations for industry in underdeveloped countries." *Harvard Business Review* (Soldiers Field Sta., Boston 63), September-October, 1952. pp. 63-71. $1.50. Stresses the importance of company policies which will help to build a stable social system in the community in which the company is operating. Suggests principles which ought to be followed in dealing with nationals as employees, consumers, and neighbors.