# COMPARING AND CONTRASTING INTERNATIONAL MANAGEMENT OF PROJECT TEAMS: THE CASE OF UK FIRMS' EXPANSION TO VIETNAM

*Abstract*

*This report's primary aim is to compare and contrast different characteristics and elements of the International Human Resource Management practices, cultures as well as behaviors between Vietnam and the United Kingdom, after which recommendations for UK managers in the process of expanding to the Vietnamese business landscape and constructing effective multicultural project teams in the country will be given out at the end of the report. After the application of various models and theories, the result of the analysis has indicated that: there is a wide variety of differences between the two countries in terms of cultures, behaviors and the process of constructing effective people management practices. As such, it is recommended that during the expansion into Vietnam, UK managers follow Shen et al.'s (2005) Integrative HRM Model instead of Brewster's (1995) European Model, perform frequent open discussions and conflict trainings during teamwork, and incorporate strong Coordinators and Resource Investigators of Belbin's (2012) Team Roles into the team composition, so that cultural as well as behavior tensions between employees of the two countries could be minimised, and that efficient IHRM could be formulated throughout the process.*

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## 1. Introduction

This report aims to provide an in-depth analysis and comparison of the two approaches to project team and people management between the UK and Vietnam, so that recommendations relating to people management in the case of UK firms expanding to Vietnam could be established for leaders of firms. In particular, different key theories of human resource management (HRM) as well as cultural dimensions will be outlined first and foremost; these theories include: Brewster's (1995) European Model, Shen et al.'s (2005) Integrative IHRM Model, Zhu et al.'s (2007) Triangle Influence, Hofstede's (2011) Cultural Dimensions and Lewis (2010) Model. After that, detailed evaluations on cultural, HRM and project team behavior differences between the UK and Vietnam will be constructed, and recommendations for managers to better manage international HRM (IHRM) and project teams when they expand their UK firms to Vietnam will be given out throughout the rest of the report.

## 2. Key Theories of People Management Within International Project-Oriented Contexts

Within the international project-oriented contexts, a number of different HRM theories and models can be applied across industries in order to produce the most effective HRM systems that can cross borders; each of the models might be tailored to suit different types of context that the companies are currently operating in. Over the years, there have been two popular models to IHRM that are frequently used within firms in international contexts, which are: Brewster's (1995) European Model and Shen et al.'s (2005) Integrative IHRM Model.

In terms of the European Model of Brewster (1995), it has been argued by the author that there is a need to separate the HRM context of European countries from other countries around the world, due to the fact that there are major differences between the operations of firms within the region and those in other locations. In particular, as the European Union possesses a huge amount of power in the influencing of organisations through unique legislations, the application of a worldwide approach to the management of human capitals within the region's countries might not be highly appropriate. Furthermore, in the European business landscape, the role and involvement of trade unions in the treatment and management of human capitals in the region is larger than those of the other continents, leading to the fact that there is a higher need to focus more on these elements during the human capital management process across European organisation. This explains the reason why Brewster's (1995) European Model to HRM has contained a heavy emphasis on the highly influential role that the external environment, specifically how the elements of culture, political, legislative, economic and social, as well as

national HRM-related contexts including labor markets and trade unions, has on European firms' corporate strategies and all HRM practices throughout their operations. According to Mayrhofer and Brewster (2005), most of these constraints and external influences have been negatively impacting the operational effectiveness of European firms when comparing with those locating in other nations; for instance, firms within the region have an extremely low level of autonomy, thus limiting their abilities to construct HRM strategies that are flexible and robust in order to deal with the current global business landscape of increasing volatility and uncertainty. It is through this model that Brewster (1995) proposes that in order to achieve high HRM effectiveness in the international context, multinational corporations (MNCs) need to adapt to the local environment over time.

On the other hand, Shen et al.'s (2005) formulation of the Integrative IHRM Model has been a product of a wide testing on a number of MNCs operating within Chinese, which is highly opposite to the Western context of the Brewster's (1995) model. In particular, the author has argued that to be able to formulate effective IHRM policies that can be applied in international contexts, it is necessary that an interaction between the home HRM system, external factors of the host country as well as firm-specific conditions is firmly constructed, so that an adequate level of harmonization between such policies and foreign human capitals could be achieved over time. Nevertheless, Shen et al. (2005) has also made a statement that fluctuations in IHRM practices could occur, which can eventually yield changes to the established IHRM policies in the future. When comparing with Brewster's (1995) European Model, it can be indicated that Shen et al. (2005) has put much less emphasis on the role of institutional factors in the formulation of cross-border HRM policies and practices, and that he has put greater focus on the inner characteristics of the firm, such as its structure, culture and size of international operations, thus directly countering the biggest weakness of the European Model analysed above. However, Warner and Rowley (2015) has criticised Shen et al.'s (2005) Model for its lack of application, as it has only been testing on Chinese MNCs, leading to the fact that the model possesses an extremely low internationalisation that makes it irrelevant in wider IHRM contexts outside of China.

The differences between the IHRM systems of Asia, Europe and the U.S. have been further broken down in the paper written by Zhu et al. (2007). In particular, the authors have argued that besides external factors such as social, economic development and governmental interventions, foreign influences can also play major roles in the shaping of people management processes in the region's business landscape; therefore, a triangle influence model has been established by the authors to illustrate an interrelationship between the HRM practices from Europe, Asia and

the U.S., particularly how each of which could impact the others over time. For instance, HRM systems of East Asia have been learning approaches to individual rewards from U.S. ones, while European HRM style has been acquiring practices to harmonisation and teamwork from East Asian business landscape (Rowley and Warner, 2007).

As Zhu et al. (2007) have mentioned the role of the macro environment factors, including historical and cultural ones, in the shaping of IHRM systems over time, Hofstede's (2011) Cultural Dimensions has been one of the frameworks that is frequently used to evaluate six different cultural factors that can distinguish one society from another, thus producing implications regarding how HRM practices between nations are shaped over time. In essence, there are six cultural dimensions that are included in the framework, including: Power Distance, Individualism/Collectivism, Masculinity/Femininity, Uncertainty Avoidance, Long-term/Short-term Orientation and Indulgence/Restraint. The separation of cultural behaviors and approaches to HRM can also be executed through the application of the Lewis (2010) Model, which ranks and classifies the behaviors of people living within countries into three main categories, consisting of: Multi-Active, Reactive and Linear-Active. In particular, people living within Linear-Active country group are moderately talkative, perform logical confrontation, job-oriented as well as are polite but direct. On the other hand, Multi-Active cultures are much more talkative, often confront emotionally, people-oriented as well as are emotional in overall. Lastly, countries that are identified as Reactive will prefer to listen rather than talk, express politeness but in indirect ways, often hide feelings and are extremely people-oriented (Niemi, 2019).

### 3. Impacts of Psychological, Social and Cultural Factors on Behaviors of Self and Others in Project Teams: A Comparison Between HRM of Vietnam and the UK

### 3.1. General Differences between HRM of Vietnam and the UK

According to the research conducted by Brewster (2006), various aspects of HRM in the UK can actually be found within the external influencers that have been extracted within Brewster's (1995) European Model examined in the previous section. Particularly, the biggest difference between HRM practices of the UK and others in Asia is the level of involvement that federal legislations as well as state involvements are currently having on the process of HRM system formulation. For instance, there is a greater expansion of the government-owned sector in the UK that span across many different areas such as social security provision, public spending and interventions into the national economic development. Additionally, it is undeniable that trade unions play a key role in the construction of HRM practices within the UK, as over time they have been conducting a wide

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range of bargaining activities in order to set different terms and conditions for UK employees of firms (Morley et al., 1996).

The alignment of the UK's HRM system with the European Model signals a number of indications regarding the country's HRM practices. Firstly, it has been discovered by Brewster et al. (2006) that the UK's tight legislative and high trade union influences have forced all organisations within the country to possess some forms of employee involvement in decision-making, specifically through the establishment of employee representation committee across firms of all industries. Based on Zhu et al.'s (2007) Triangle Influence framework, it can be implied that the UK has been acquiring the HRM practice of high teamwork and involvement through those of Asian countries, which, combined with the region's heavy emphasis on strong legislation formulation, has produced a system of employee involvement requirement across the whole business landscape. Secondly, Cappelli (1999) has also extracted that as the "war for talents" has been expanding around the globe, there has been a rapidly-growing attention within the UK business landscape towards talent management as well as individual performance management and rewards over time.

On the other hand, Vietnam's approach to constructing IHRM practices are more in line with the Integrative HRM Framework that has been established by Shen et al. (2005). Essentially, aligning with Shen et al.'s (2005) work, it can be indicated that the key difference between Vietnam and Asian countries in general when it comes to IHRM is that: there is not much involvements and interventions from trade unions or governments regarding ways to manage and organise people and human capitals of firms, and that the success of which depends more on the level of adaptation to local traditions and cultures rather than legislation frameworks within the host countries. In fact, it has even been pointed out by Quang and Thang (2004) that: the majority of Vietnamese organisations that heavily depend on the influences and assistances of the government in the shaping of HRM practices often possess a much less competent HRM framework and system that can compete with other MNCs over time. As such, through these key differences, it can be implied that UK organisations' expansion into Vietnam will experience greater legislative freedom than when they operate within the home country, and that there is a need for these foreign firms to be more innovative in their IHRM, so that they could be able to compete more effectively against other players in a highly unrestricted people management landscape. However, the paper formulated by Hoe (2013) has also discovered that in the Asian business landscape in general and Vietnam in particular, there has been a limited approach to employee involvement improvement over the years, indicating that UK employees transferring to

Vietnam subsidiaries might experience lower subordinate's engagement in decision-making, which might produce lower level of job satisfaction and commitment over time (Cox et al., 2006). Therefore, it is critical that home country nationals thoroughly understand these key differences in HRM practices in order to not experience severe culture shocks when working in the Vietnamese economy.

Finally, there have also been some key differences in the labor legislation of Vietnam and the UK that can eventually impact the effectiveness of the HRM process of the two nations over time. In essence, it can be directly extracted from the two countries' labor code that Vietnam has been putting much less emphasis on the issue of workplace discrimination than the UK; the evidence can be found in the Vietnamese labor code 's lack of definitions and mentions of such issue, as there has only been a concentration on gender inequality, while in the UK labor code, there has been declarations and prohibitions of each and every type of discrimination existing in the country's business landscape (The National Assembly of Vietnam, 2013; ). Vietnam's poor tackling of discrimination in its labor regime is contrasted with the paper written by Madera et al. (2013), which has proven that the establishment of a non-discriminated work environment can produce positive influences to employee's job satisfaction, commitment as well as performance over time. Nevertheless, both of the systems have been dedicating an equal amount of focus on the giving out and taking care of women in the workplace, which is highly commendable considering that women roles in Asian countries have been heavily downplaying over the decades (Jogulu and Wood, 2011).

### 3.2. Project Team Development of Vietnam Versus the UK

According to Adair (1983), there are three internal elements that determine the effectiveness of project team development and operation, which are: task achievement, team interaction and individual members' needs. In the context of international project team development, Hofstede's (2011) Cultural Dimensions Framework as well as the Lewis (2010) Model will be able to provide more detailed insights into different potential cultural and individual need conflicts that UK teams might encounter when working inside the Vietnamese border, which can damage the two employee group's team interaction over time.

In essence, according to Hofstede (2011), there are four main cultural dimension differences between Vietnam and the UK, which are: Power Distance, Individualism/Collectivism, Masculinity/Femininity and Indulgence/Restraint. For the first dimension of Power Distance, Hoang (2008) has pointed out that Vietnam, with a score of 70, is a society with high Power

Distance, while the UK scores 35, which is extremely low in the dimension (Littrell and Valentin, 2005). This result indicates that in the workplace or during team projects, the UK employees will not easily accept a situation of unequal power distribution happening in the organisation, whereas Vietnamese subordinates will generally ignore or put little questioning on why such huge Power Distance exists in the company hierarchies. In terms of the second cultural dimension – Individualism/Collectivism – the work conducted by Hoang (2008) has indicated that while Vietnam's score is only 20, making the society a collectivist one, the UK scores 89 in the dimension, making it an extremely individualist one. In international project team development, this dimension means that the UK employees will operate highly individually and expect their performance to be assessed as such (Littrell and Valentin, 2005), but Vietnamese employees will prefer to work in groups and will generally be more satisfied when their performances are measured in group context (Hoang, 2008). For the third cultural dimension of Hofstede's (2011) framework – Masculinity/Femininity, it has been discovered that UK, with the score of 66, is a Masculine one, indicating that employees who are accustomed to the UK work culture are highly success-driven and hugely concentrate on the achievement of top performances. On the other hand, Vietnam, being a feminine society with a score of 40, has formulated a work culture that values quality of life more, meaning that Vietnamese employees often prioritise well-being and the resolving of conflucts using compromise and negotiations. Last but not least, workers operating within Vietnam's cultural dimension of Restraint has been stated by Hofstede (2011) and Hoang (2008) to lean more towards the pessimistic side of work, putting extremely low focus on leisure time, gratification as well as high controls on the exertion of desires and impulses. However, employees in the UK – an indulgent society – possess a more optimised attitude towards work and life, as they allow themselves more to have fun, enjoy life as well as desire leisure time in their workflow (Littrell and Valentin, 2005).

The second model of Lewis (2010) dives deeper into the differences in the behaviors of team members when they come from different cultural backgrounds and countries around the world, such as those from Vietnam and the UK. In particular, Lewis' (2010) work has been able to classify Vietnam as a Reactive country and the UK as a Linear-Active one. This finding produces a number of implications regarding the team project that consists Vietnamese and British employees. According to Gates (2009), due to the fact that the UK is a Linear-Active society, British employees will usually express courtesy and respect, do not have the ability to multitask, use logic during confrontation, job-oriented and rarely interrupts while in conversations. Moreover, very limited body language is used by the British during communications, and that a clear division of social and professional matters throughout work tasks is formulated by employees of the country. On

the other hand, the fact that Vietnam is a Reactive society signals that people within which will be more likely to prefer listening rather than talking, being polite in indirect ways, hiding feelings instead of openly showing them, and that they will be extremely people-oriented. Through the application of the Lewis (2010) Model, it can be seen that there can be a wide range of communication behavior differences between the Vietnamese and British employees; as such, the UK firm's penetration into Vietnam using home country nationals could face massive conflicts during project team development and execution, as Gates (2009) has pointed out that communication effectiveness is the absolute key to getting high teamwork results and performance in a multicultural work environment.

### 4. Recommendations to Improve Teamwork for UK Firms Expanding to Vietnam

According to the work conducted by Nguyen (2016), the organisation's internal factors have been playing a much more important role in the shaping of Vietnamese firm's effective HRM practices over time. Coupled with the above analysis that there has been an extremely low level of influences of the external environment, especially legislations, government interventions and trade unions, it can be recommended first and foremost that: UK firms' expansion in Vietnam would establish much more efficient HRM policies and models by following Shen et al.'s (2005) Integrative HRM framework that have been empirically tested across countries in the regions. The pursuance of this model would involve the gradual adaptation of the UK firms to firm-specific factors, contextual factors as well as domestic HRM practices and policies in order to extract the most appropriate systems over time; however, UK firm leaders must be aware that such factors could change over time, and that their organisations must always be ready to adapt to the constant, uneven shifting of which in order to thrive in the host country in the future (Shen et al., 2005).

Moreover, it can be concluded from the previous evaluation that in the context of teamwork and project collaboration between British and Vietnamese employees, there is bound to be a great number of conflicts occur due to major differences in terms of cultural backgrounds and behaviors in teams. Tuckman's (1965) Phases of Team Development has been able to formulate a detailed description on the whole process that teams will have to go through before being able to achieve a stable state and deliver results. In essence, according to the author, there are five main phases to the development of a team, which include: forming – the phase of questioning and socialising, storming – the phase where conflicts and resistances toward cooperation are fully exposed, norming – the stage of accepting that collaborations and cohesion must take place, performing – the phase where teams start to function and deliver  and adjourning. As the overcoming of the

storming and norming stages are extremely crucial in the construction of a high-performance team (Colombini and McBride, 2012), it can be recommended that UK firms follow the advice of Jehn and Mannix (2001) in order to be able to apply different strategies in order to negate the negative outcomes of conflicts. Particularly, managers of the firm's subsidiary in Vietnam must much huge efforts in the encourage and establishment of open discussion initiatives, so that all conflicts are brough out and thoroughly understood by all parties in the process. In addition, subsidiary managers must also be able to formulate conflict training programs that motivate British and Vietnamese team members to better deal with their emotions and to always respect each other even during intense turbulences, so that strong bonds between members could be found after the conflicts are resolved. Lastly, it is critical that managers plan ahead all of the potential conflicts and resolve them as soon as possible in the team development lifespan, as the paper written by Colombini and McBride (2012) has argued that the success of the first few phases of Tuckman's (1965) model can have detrimental effects on the results of the whole project in the future.

Finally, as big as the role of subsidiary managers in the stabilization and improvement of project team development in Vietnam is, it is undeniable that the team itself needs to also be consisting of appropriate team roles in order to produce the best results possible, under the highest level of teamwork efficiency throughout the whole process. Belbin's (2012) Team Roles theory has been able to extract that: throughout teamwork initiatives, members can belong to nine types of team roles, which are: Shaper, Implementer, Completer-Finisher, Coordinator, Teamworker, Resource Investigator, Plant, Monitor Evaluator and Specialist. Although the work by Belbin (2012) has produced a general conclusion that: for the team to operate at the highest level of efficiency, there needs to be a balanced presence of all nine roles throughout the teamwork process, in the above context where there is a great amount of conflicts among team members, it can be indicated that certain roles, especially conflict-resolving ones, need to be more emphasized and focused throughout the process. The paper written by Aritzeta et al. (2005) has been able to extract that: due to the highly unpredictable nature of team conflicts, there needs to be a combination of both the dominating and the compromising styles to conflict resolvent, which has been proven by the same authors to be best suited for team members that are Coordinators and Resource Investigators. Therefore, in the case of UK firms expanding to Vietnam, it is recommended that subsidiary managers construct and organise teams that consist of highly-skilled Coordinators and Resource Investigators, so that such teams could be able to best avoid the amount of conflicts that could potentially happen during project development, in the context where social and cultural tensions could have a high probability to rapidly occur throughout the project.

## 5. Conclusion

To sum up, through the detailed evaluation above, it can be concluded that there is a wide range of differences between the UK and Vietnam regarding IHRM practices, cultures as well as behaviors both inside and outside the workplace. In particular, while there is a heavy influence of external factors, especially government interventions, trade unions and legislation frameworks, on the operations and construction of HRM systems in the UK, the impacts of such has been smaller in Vietnam over the years, signaling that UK firms' expansion into Vietnam will experience greater freedom in IHRM throughout the process. Furthermore, there are also drastic differences between the UK and Vietnam in terms of cultures and behaviors, implying that there is a high probability that conflicts will frequently happen between British and Vietnamese employees during project team development and execution. As a result, three recommendations have been produced for managers of subsidiaries and UK firms in order to formulate more efficient project teams and IHRM processes during their penetration into the Vietnamese business landscape. Firstly, they should pursue Shen et al.'s (2005) Integrative HRM Model that depicts more accurate key influencers of IHRM in Vietnam in order to be able to construct the most effective practices of such throughout their expansion. Secondly, based on Tuckman's (1965) Team Development Model, subsidiary managers must construct frequent open discussions and conflict trainings, so that their team members could know how to better cope with the existence of which during teamwork in the future. Lastly, the analysis of Belbin's (2012) Team Roles has implied that UK managers should establish teams with strong Coordinators and Resource Investigators, as they are the ones who can efficiently deal with conflicts of any types that can occur between British and Vietnamese team members in the future.

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