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## Human Resource Management in the Nearshoring Company – case study

**Abstract:** *One of the primary reasons for outsourcing investments outside the home country is to reduce labor costs. The relatively low labor costs in Poland are an incentive to locate production plants here also by investors from countries that are geographically and culturally close, thereby on the basis of nearshoring. One example of such an investment is the German steel processing company, which opened a plant in Poland. Case study shows that in the Polish plant human resource management is economic, calculating, and quantitative, thereby dominate the so-called a hard approach. Employees be given the opportunity to go to the parent company located in West Germany. As a result, they have the opportunity to compare the working conditions in both plants. This comparison shows that the company uses a different standard, offering much better conditions in human resource management in the plant in Germany.*

*The purpose of this paper is to present convergences and divergences in the policies and practices of human resource management in the presented nearshoring company. Implementation of this purpose is linked to the analysis and assessment of the situation in the area of human resource management. The primary research method is the uncategorized direct interview conducted with employees of the company.*

**Keywords:** *nearshore, nearshoring company, human resource management, cultural dimensions*

### Introduction

Globalization is a significant factor influencing both organizations and individuals today. Business, as well as other activities, has become a truly international activity. Therefore, the critical challenge for organizations in the twenty-first century is the need to operate across national borders [Brewster Ch., Sparrow P. and Harris H., 2005, p. 494].

There are many drivers of internationalization of business, such as: trade agreement, search for new markets and reduced costs, rapid and extensive global communication, rapid development and transfer of new technology, improving global education, increased travel and migration, knowledge sharing, e-commerce, and homogenization of culture and consumer demand [Briscoe D., Schuler R. and Tarique I., 2012, pp. 12-14]. These drivers are creating new global realities for organizations, both for small and large one.

The opening of markets and the appearance of competitive foreign companies and their products in virtually every marketplace places intense pressure on every enterprise to develop the capacity to operate at lower costs and with greater speed, quality, customer service, and innovation, both at home and abroad [Briscoe D., Schuler R. and Tarique I., 2012, p. 17]. Lowering costs by moving to locations with lower wages is clearly a primary draw for outsourcing business activities. Some companies outsource to countries that are very close – geographically, economically, and institutionally – while others outsource to more distant and distinct locations.

The purpose of this paper is to present convergences and divergences in the policies and practices of human resource management in the presented nearshoring company. Implementation of this purpose is linked to the analysis and assessment of the situation in the area of human resource management (HRM). The analysis takes into account hard and soft model of HRM and cultural dimensions described by the project GLOBE. The primary research method is the uncategorized direct interview conducted with employees of the company.

### **Nearshoring Practices**

In today's business world many organizations outsource some activities from the home country to host countries. Such decisions are connected with many factors, one of them is the distance which can be based on cultural, geographic, administrative, and economic dimensions. Hahn, Bunyaratavej and Doh [2011, p. 358] described the differences in outsourcing practices outside the home country by using geographic and economic dimension. There are two types: nearshoring and offshoring. Nearshoring is described as the relocation of work from the home country to a geographically proximal host country which has a strong economic integration agreement with the home country. Offshoring is described as the relocation of work from the home country to a non-proximate host country or to one without a strong economic integration agreement with the home country.

**Table 1.** Constructs shaping the definition of nearshore

Construct	% of Texts using this Construct	Characteristic of the Nearshore Destination
Geographic	59%	Physically closer and takes less travel time to reach
Temporal	31%	Some time zone overlap
Cultural	41%	Similar cultural characteristics such as way of life, or way of doing business
Linguistic	47%	Share linguistic similarities such as adopting English as the language of business, or sharing the same native language
Political/ Economic	28%	Political alignment or economic grouping
Historical	11%	Shares some historical perspectives such as colonial history, diaspora linkages

Source: [Carmel E. and Abbott P., 2007, p. 44].

Carmel and Abbott [2007, pp. 40-46] reviewed 150 texts relevant to nearshore in order to investigate the understanding of the concept of nearshoring. Table 1 presented dimensions of nearshoring construct, such as: geographic, temporal, cultural, linguistic, political/economic, and historical. This analyze shows that the distance can be viewed multidimensional and that some dimensions may be measured. Carmel and Abbott [2007, p. 44] defined nearshoring as „sourcing service work to a foreign, lower-wage country that is relatively close in distance or time zone (or both). The customer expects to benefit from one or more of the following constructs of proximity: geographic, temporal, cultural, linguistic, economic, political, and historical linkages.”

The dimensions of nearshoring are often traded off with costs and risks of doing business in a specific destination. Foreign investors face a wide range of risks when doing business abroad. Such risks prompt investors to pay greater attention to the management and control of investment risks. As the reduction of offshoring investments risk, Kvedaraviciene [2008] described the nearshore advantages (see table 2).

**Table 2.** Offshore risks and offsetting nearshore advantages

Offshore risk	Nearshore advantage
Increased management complexity	Easier to manage by arranging frequent meeting; have frequent flights, being in the same time zone, having the same cultural background
Reduced effectiveness due to communication difficulties	Same cultural background, history, no accent difficulties make communication much easier

Lower quality of output	Proximity client country, tighter control due to close distance maintains high quality standards
Lack of direct control over resources	Sufficient control due to close distance
Uncertain financial payback	Initial business plan is valid as there are no hidden costs to the project
Information confidentiality related issues	No leaking information facts, intolerance to piracy supported by government
Lack of proximity to staff	Complex problems can be solved face to face due to close location. Cultural background is the similar, what allows misinterpretations to occur less frequently
Short duration resources hardly available	Resources available for short duration projects
Lower productivity	Productivity the same/very close to country of origin
Unfavourable public opinion	More favourable in public eyes to outsource to nearshore than to offshore
Complex and uncertain general environment: legal, political, infrastructure	Stable political situation, established regulations, favourable infrastructure

Source: [Kvedaraviciene G., 2008, p. 566].

Nearshore can be used both for manufacturing and services. For manufacturing, there are obvious benefits associated with outsourcing to such nearby countries because of reduced transportation costs and the related ability to capitalize on faster turnaround times in a conventional supply chain involving physical delivery via trucks, rail or ships. Services location choices between nearshoring and offshoring depending on whether the company outsources relatively higher versus relatively lower skill services [Hahn E.D., Bunyaratavej K. and Doh J.P., 2011, p. 358].

### **Human Resource Management and Cultural Influences**

The literature on HRM is rich in many approaches, which presented main assumptions of HRM concept. Gableta [2003, pp. 166-174] by analyzing these approaches, has identified the core of HRM concept, which manifests:

- high rank, which is given the people in the business units,
- formulating a vision or mission of the company, which combines with leadership,
- relationships between the overall business strategy and personnel strategy,
- importance of organizational culture in the company and in its relations with the overall and personnel strategy.

Many researchers of HRM distinguish the two concepts of HRM approach: hard and soft model. The hard model is focused on effective management of human resources. The dominant criterion in the framework of this management is to minimize the cost. At the same time labor resources should be used in a full and productive way. In the soft model employees are treated in a subjective way. It is realized by a particular approach to the implementation of the HR function - selection, training, promotions, and payment. Taking care of employees is aimed at increasing their involvement and identification with the company [Rybak M., 2000, pp. 13-27].

Nearshoring company as the others companies which move activities to foreign countries have to deal with internationalization of business activities and processes, including HRM. The effectiveness of HRM is associated with an ability to assess the extent to which an enterprise should apply similar practices in different countries and to what extent to adapt them to local conditions. „Typically, the headquarters either applies its parent company HRM policies and practices directly to its foreign subsidiaries, or it tries to merge its HRM policies and practices with those that are common in the host countries. However, it is common that a local HR manager will handle HR in the subsidiary, even if he or she is primarily responsible for implementing centralized HRM policies and practices” [Briscoe D., Schuler R. and Tarique I., 2012, p. 17].

In defining the principles of HRM should be taken into account the additional factor: cultural influences. This factor also decides about convergence and divergence in the HRM practices. Every aspect of international business and international HRM are impacted by national and organizational culture. This is true for the HR management of international assignees as well as for HR management of local workforce. Research report by the Society for Human Resource Management suggests that the situations in which particular cultural influences on HRM are important include: recruiting and hiring practices, building business relationships, the role and use of multiple languages and communication, perceptions of organizational justice (such as fairness in treatment, quality of treatment, and fairness of outcomes), decision-making, performance evaluations and feedback, management and leadership development, development of global mindset, and varying perspectives on careers across cultures [Briscoe, Schuler and Tarique, 2012, pp. 130-131]. Hiltrop distinguishes the following areas of HRM, which can affect the culture of the state: definition of an effective manager, direct giving feedback, readiness to undertake the task of international, pay systems and diverse concepts of social justice, and approach to organizational structure and strategic growth [Armstrong M., 2011, p. 147]. Lee sees cultural influences on the following areas: selection and training, performance evaluation, motivation, remuneration,

allowances, labor relations, empowerment, and career development [Lee Y., 2011, pp. 38-40].

The same policies will not produce the same effects in different cultural areas. There are many research project that cluster countries according to similar cultural profiles. One of such project is the project GLOBE<sup>1</sup> in which investigators spanning the world are examining the interrelationships between societal culture, organizational culture, and organizational leadership [House R.J., Javidan M. and Dorfman P.W., 2001, p. 491].

**Table 3.** Cultural dimension in Germanic and Eastern Europe Clusters

Cultural Dimension		Germanic Europe	Eastern Europe
Uncertainty Avoidance	high-level	<b>X</b>	
	mid-level		
	low-level		X
Power Distance	high-level		
	mid-level	<b>X</b>	<b>X</b>
	low-level		
Institutional Collectivism	high-level		
	mid-level		<b>X</b>
	low-level	<b>X</b>	
In-group Collectivism	high-level		<b>X</b>
	mid-level		
	low-level	<b>X</b>	
Gender Egalitarianism	high-level		<b>X</b>
	mid-level	<b>X</b>	
	low-level		
Assertiveness	high-level	<b>X</b>	<b>X</b>
	mid-level		
	low-level		

<sup>1</sup> GLOBE (Global Leadership and Organizational Behavior Effectiveness) is a major long-term multiphase, multimethod research project to study cross-cultural leadership differences and similarities among countries. This project was able to empirically verify ten culture cluster from the 62-culture samples. These culture clusters were identified as: Latin America, Anglo, Latin Europe, Nordic Europe, Germanic Europe, Confucian Asia, Sub-Sahara Africa, Middle east, Southern Asia, and Eastern Europe.

Future Orientation	high-level	<b>X</b>	
	mid-level		
	low-level		X
Performance Orientation	high-level	<b>X</b>	
	mid-level		
	low-level		X
Humane Orientation	high-level		
	mid-level		<b>X</b>
	low-level	<b>X</b>	

Source: own work based on [Javidan M., Dorfman P.W., Sully de Luque M. and House R.J., 2006, p. 71].

In this project culture is defined as “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations” [House R.J., Javidan M. and Dorfman P.W., 2001, p. 495]. This project try to describe, understand, and predict the impact of specific cultural variables on leadership and organizational processes. There were separated ten cultural clusters. These cluster were investigated by using nine cultural dimensions: uncertainty avoidance, power distance, institutional collectivism, in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation, humane orientation<sup>2</sup> [House R.J., Javidan M., Hanges P. and Dorfman P.W., 2002, pp. 5-6].

The most significant for the purpose of this paper are the two clusters: Germanic Europe including Germany and Eastern Europe including Poland. Table 3 shows that there are both similarities and differences between two near countries: Germany and Poland.

The main similarities are connected with power distance and assertiveness. There are also some differences such as: German culture as opposed to Polish culture is characterized by high-level of the following dimensions: uncertainty avoidance, future orientation, and performance orientation. On the other hand, Polish culture in compare to German culture is characterized by higher level of in-group collectivism, institutional collectivism, in-group collectivism, gender egalitarianism, and humane orientation dimension.

<sup>2</sup> The first six dimensions are dimensions of culture identified by Hofstede (uncertainty avoidance, power distance, social collectivism, in-group collectivism, gender egalitarianism, and assertiveness). The dimension: future orientation is from Kluckhohn and Strodtbeck's framework. The dimension: future orientation is similar to McClelland concept of need for achievement. And the dimension: humane orientation is similar to need for affiliation.

These cultural dimensions characterized the leadership style, the way of leading people in the ten different clusters. Because the leadership in organization always refers to the people, the presented in table 3 levels of cultural dimensions should influence on the ways of HRM in following countries.

### **Case study**

The method of uncategorized direct interview was used in the research. Interviews were conducted with two present and two former employees of the Polish company. Information about the capital group available online was also used. Opinions about the company available on the portal [www.gowork.pl](http://www.gowork.pl) were analyzed, the Internet users describe their experience of working for the specific company there. Selected information was moreover given by the former manager employed by the German company.

The owners of the German enterprise for the first time invested in Poland in 1997 establishing a production company in the form of a limited liability company. The board of the company comprises till today two persons being at the same time the board members of the German company. In Poland the current company activity is run by a Pole who is fluent in German. The company activity profile is convergent with the German company profile – the plant produces metal products as part of stainless steel processing. For 3 years there has been a second limited liability company. The location and board of the newly formed company is identical as the first one. The formal scope of activity is different though – the company is supposed to conduct real estate management.

As part of the case study staff management practices were identified within such sub-functions as: the selection of employees and the forms of their employment; professional development; shifting staff, including promotion and lay-offs; motivating, including remuneration; shaping working conditions; self-management. What is more, selected symptoms of the company's organizational culture were identified.

In the field of HRM the standards are set by the German company. It is reflected in the basic assumptions of staff politics as well as in creating specific staff management practices. In the German company a post regarding coordinating the cooperation with the Polish company was set up. Constant connection is held with the use of tele-information services. As a rule once a month the representatives of the German company conduct a direct inspection at the Polish company site. Most often the delegation consists of a coordinator with a subordinate employee and an information technician.



Within the selection of employees and forms of employment a difference can be pointed out in the used practices depending on the period of the company's development. In the first phase only the setters of digital machines running the shift were employed on the basis of an employment contract. The other employees handling machines were employed based on civil-law agreements. Women were employed for the positions of quality control. In their case a common practice was the unregistered employment. Women worked illegally for a few months before it was decided to sign a fixed term employment contract with them. According to the respondents, it comprised a specific trial probation period. In the analyzed period the basic recruitment technique was employing recommended people. The used selection techniques were and are till today very easy – a non-structured job interview and a basic analysis of a CV.

In the later period a system of cooperation with vocational schools was implemented, enabling internship practices in the plant. It was indicated that currently it is the basic source of personnel recruitment. Young people are initially employed based on mandate contracts. Representatives of the German company influence directly personnel decisions regarding manning the managerial posts. External recruitment is preferred. The post of the president of the company was changed 3 times and was always connected with external employee sourcing and employment of a person directly appointed by the German board.

The company does not use any training, apart from the obligatory ones regarding workplace safety. Some form of development is delegating employees to work for the German company. Then they have an opportunity to acquire the skills of more modern machine handling and to improve language skills.

In the field of shifting respondents' opinions indicate the following situation. There are quite limited possibilities of promotion in the company. The organization structure is flat and the managerial posts are mainly given through external recruitment. Lay-offs are quite common, personnel fluctuation is high. Many employees quit in the initial employment period, when they realize that the working and payment conditions do not fulfill their expectations. In spite of all that many young people decide to start their cooperation with the company in order to earn their valuable first experience. One of the Internet users stated: „*CNC operator looks good in your CV*”. The biggest single employment reduction was conducted in 2009 and it was connected with the economic crisis and the decrease of orders in the German company which influenced directly the situation in the Polish company. As the respondents state, the necessity to downsize and enter the procedure of group lay-offs became at the same time an opportunity which the management used to get rid of inconvenient people. It was connected above all with employees' claims, the attempt to set

up a labor union, the questioning of the management's attitude towards their employees.

As part of motivating staff a very limited range of tools is used. Basic wages are low. There is no bonus system. However, there is a possibility to have a better earning by working overtime, including weekends. What is more, there is also a possibility to work abroad for the German company. As far as finances are concerned it is an attractive solution for employees. They get their due payment in Poland and for the work done in the German company they are remunerated as if they were on a business trip. Respondents indicated that monthly it can be as much as a five times higher income. The criteria for employee selection to work abroad are often unclear and decisions made regarding the delegations are the cause of conflicts among employees.

From the non-material point of view compulsion tools dominate, incentives and persuasion are used in a limited way. As one of the respondents indicated, one could very often hear that *„if you don't like it in the company, you can quit”*. Such an opinion is confirmed by Internet users who share their work experience in the analyzed company.

Material work conditions are quite hard. At the work posts while handling machines there are no ventilating fans. The used goods of production, among others coolants, smell unpleasantly. The production hall is badly adapted for more difficult weather conditions, especially when it is very hot or very cold outside. It should be pointed out though that these conditions will improve in connection with the modernization of the machinery. This process takes place under close supervision of a German company coordinator.

The working time of production employees is organized in the system of three shifts from Monday to Friday. Additionally the company works one shift (from 6 a.m. to 2 p.m.) on Saturdays and Sundays. For the employees it means the possibility to enlarge the income. Depending on their individual abilities they can use it all the time, because the company does not apply any limited number of overtime that is binding in the Polish labor law. Officially the company does not practically show any overtime. What makes it possible is a mechanism which uses the connection with another Polish company set up by the German board. The established company employs workers of the company temporarily, based on mandate contracts and delegates them to do tasks at the company premises.<sup>3</sup> The mechanism is shown in figure 1.

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<sup>3</sup> The formally proven target of the company's activity does not show the real reasons for its functioning.

**Figure 1.** A diagram of connections with the task contractors in the analyzed company



Source: own study.

This way a specific person on the one hand functions in the company as an employee, working 40 hours a week, and on the other hand as an outsourcing contractor supplying low-paid services through the medium of the enterprise. In practice employees do exactly the same tasks in one company, however with a longer working time. The described mechanism of using mixed forms of employment – contract and other and employing some people part-time in the assisting company made it possible to limit the officially registered number of regular employments and avoid simultaneously the obligation to run a fringe benefit fund in the company.

Inside the company the mechanisms of employee representation do not exist. Once there was an attempt to establish the company's union organization. In spite of many declarations of joining the organization, after the management's preventive actions, almost all employees withdrew, and the final number of those willing to join was too small in relation with the requirements demanded by legal regulations. The actions undertaken by the management were described by the respondents as intimidation, though they did not exclude that some employees may have been encouraged with some specific benefits to withdraw from the initiative.

Lack of trust towards employees is a strongly stressed feature of organizational culture of the company. Low wages and limited possibilities of development result in employee demotivation and tendency to take harmful actions against the company. The respondents agreed that employees cheat in their timesheets, work without commitment and even steal. This in turn influences the management to take measures, they persuade employees to snitch, they introduce better and better timesheet systems and invigilate workers.

The picture presented in the respondents' opinions allows for a description of the attitude towards HRM used in the company as the so-called hard HRM. The cost factor is taken into consideration here to a high degree and the tendency towards using atypical forms of employment with the simultaneous debasement of the meaning of employees' interests is high. The main idea is above all that the company has the needed number of contractors at a specific place and time, at the lowest possible cost.

An attempt was made to confront the indicated state of affairs with the situation concerning HRM in the German company. The German company is a big family enterprise whose history goes back a few decades and is located in western Germany. The characteristic feature of creating employment in the company is relying on production workers from immigrant groups. As respondents indicate, Germans of Turkish origin dominate among production workers, the second largest group comprise Germans of Russian origin. Moreover, Albanians and Arabians are employed in regular posts. Native Germans in production posts are exceptions. The proportions change along with the higher levels of hierarchy. Workers of Turkish origin take specific direct line managerial posts, but a higher managerial personnel comprises only native Germans. A direct production personnel is completed with Polish company employees, especially in the period of greater demand for personnel.

The company employs more than 30% of women, which taken into consideration the company's activity profile is a high percentage. According to respondents, such a structure of employment is connected with the realization of the demand to maintain low cost of work. Immigrant group workers and women have lower expectations towards payment. Remuneration in the company is lower than the average in this region of Germany. However, the company compensates employees their low wages with an expanded benefits package. Employees are paid among others in connection with the obligatory holidays and holiday travels. Sports center passes are available. The company organizes bonding events. Special privileges apply to parents. The company runs a highly valued company's kindergarten. Young children's parents may organize their working time in a flexible way. Mainly mothers use this privilege who deciding to go back to work after having a child may among others gradually prolong their working time. A respectively more expanded fringe benefits package is available for the managers, for example in connection with the possibility to use company cars. An extra element of connection with the company is its help in finding a place to live. The company offers the possibility to rent an apartment in places owned by the company owners' family and also to get a bank loan for one's own apartment. The material working conditions are also good. Production takes place in modern halls with the use of mainly new machines. Direct-production posts are equipped with ventilating fans.

The described practices comprise an attractive solution for employed workers. It results among others in low fluctuation. It can be observed that the company intentionally shapes staff politics in such a way that the taken actions were attractive for a specific group from the local labor market.

Interviews conducted with respondents allowed for showing in what way Polish lease employees are treated in the German company. They are mainly accepted for direct-production positions. The company guarantees free accommodation for Poles. Initially the working time of lease employees was organized in the same way as traditional employees'. However, later negative changes for the Poles took place, connected with prolonging of their working time. For instance, Polish women working at the quality control worked 12 hours daily. As respondents indicated, it was physically tiring and apart from that it left a feeling of unfair treatment. At the parallel posts work was performed for 8 hours.

A specific situation was created by the cooperation with Germans of Turkish origin. As respondents stated, there was a clash with a foreign culture and it was connected mainly with negative consequences. Above all, from the beginning Poles were considered a threat for regular employees. They were afraid that the company would aim for lowering the cost of work through increasing the scope of use of the cheaper work potential from Poland. There were also language barriers. It made the cooperation difficult and - as respondents indicated unanimously - it lowered the effectiveness of work. Respondents stated that they did not form colleague relationships with the employees of Turkish origin, while such relationships were formed for example with the Germans of Russian origin. Conflicts happened resulting from a mutual misunderstanding of informal rules.

The relationships with the managers were described differently. On the one hand positive examples were given. German managers got engaged in difficult situations and helped Polish employees regarding creating their relationships with other employees. They also responded when permanent employees tried to use the Poles by delegating the performance of harder tasks. On the other hand, situations were indicated when they could feel they were worse category workers. One of the respondents described a situation when a company board member showed a business partner around the production hall and by pointing to the working Polish women he used an expression describing cheap workforce in a pejorative way. Lack of respect was noticeable in respondents' opinions. It is worth observing that men who described the trips to Germany as a well-paid task to be done put up with the situation easier. Women's opinion is that a bad atmosphere and the feeling of being exploited were more troublesome for them, especially in connection with the longing for the family.

The data which the authors disposed about the situation in the German company is incomplete. Nevertheless, based on it can be stated that the staff politics model realized there, as well as the practices used in HRM, do not indicate the model of hard HRM. Many practices were exposed showing the care for the employed, taking their needs and interests into consideration, paying attention to the balance between their personal and professional lives. These are the features clearly differentiating between the staff politics used in the German company from the one used in the Polish company.

Furthermore, a surprising observation was made that lease employees from the Polish subsidiary company were treated in a different way in the company. Similarly as in Poland the practices used towards them are characteristic for hard HRM, also in Germany maximum use of their work potential was the aim.

## **Conclusion**

Analyzing the presented case, it should be kept in mind the imperfections of the research method, including the selection of respondents. Two of the respondents were former employees of the Polish company. Their opinions about the situation in the company were generally worse than opinion currently employed persons. Analyzed opinions on the web portal were almost exclusively negative reference. It seems that people which are unhappy because of work are more willing to externalize their emotions in this way, while those satisfied with the work may not feel the need to describe the situation in the company on the website. This can cause that the study did not disclose some of the positive characteristics of HRM in this nearshoring company.

Obtained by the authors data (mainly in the area of HRM) may suggest that the primary benefit of taking nearshoring investment in Poland is chiefly a cost reduction of the activity. This is particularly evident in the majority, described in the work, practices of HRM. In this case, less relevant conditions, which characterized nearshoring projects, seem to be: cultural similarities, linguistic communication, political or historical aspects.

Validated seems to be the general conclusion that the German company in its nearshoring investment in Poland is used hard HRM. It is characterized by a cost effective and objective approach to employees, resulting in the use of practices detrimental to employees, often on the borderline of the law. This method of treatment of Polish workers is also used during their stay in the German company. The approach to HRM in the German company has, in turn, many of the characteristics of soft model, which manifests itself in the creation of the employees good working conditions, the use of comprehensive package of social benefits, as well as the preference for long-term employment.

In most dimensions of HRM in the analyzed companies there were significant differences.

The resulting divergences may be the result of cultural differences that exist between countries. Although the nearshoring investment assumed cultural similarities with the country in which the company is established, the presented parts of the GLOBE study results indicate that in spite of the geographical proximity of Germany and Poland, they belong to different cultural clusters. These clusters have both similarities and differences according to the cultural dimensions, which should influence on the way of managing people.

Attempt to relate the received data to the cultural dimensions described by the GLOBE shows that differences between Poland and Germany are confirmed but not in all areas. The situation which exists between HRM practices do not in fact indicate a higher level of humane orientation dimension of the plant in Poland, both in terms of the relationship between employees and the relationships between employees and managers. In addition, dimensions of institutional collectivism and intra-group collectivism, which in the GLOBE are considered to be higher for Polish culture does not seem to reflect these values in the studied company.

The presented example may indicate that the company undertaking the investment in another country may in units of similar activities carried out different HRM policies. These differences may be the result of different cultures, but in the case of shoring investments indicated differences may be due to the one of the main reasons for taking such activity, it means the costs reduction.

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