Human Resource Management in Multinational Cooperative Ventures

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INTRODUCTION

Human resource management has increasingly been recognized as a critical dimension of strategic management (Tichy, 1983; Beer et al., 1984; Fombrun et al., 1984; Chakravarthy, 1985). Above all, it is becoming clearer that the human resource is a strategic resource that should be managed in a more explicit, proactive manner. Even though it cannot be allocated and generated in a way entirely analogous to the financial resources of a corporation, it is still an integral part of strategic management. A strategic resource is defined as a resource that can be shifted from one business strategy application to another (Lorange, 1980), not only financial funds or technological knowhow, but also human resources. Without the growth of human resources as a strategic resource within a corporation, it will be difficult to secure the long-term strategic future of the corporation, even though financial resources might be adequate.

We are currently witnessing an increase of cooperative ventures as vehicles for implementing strategy, particularly in multinational contexts where joint ventures, licensing agreements, project cooperation, and other methods of cooperation are becoming commonplace. The reasons for the growth of cooperative ventures are manifold: they may make scarce strategic resources last longer by utilizing complementary resources from several partners; they may allow faster market penetration; they may be a political necessity, and so on (Lorange, 1986a). The human resource function is particularly critical to successful implementation of such cooperative ventures. Several strategic human resource issues surrounding these cooperative ventures are not well understood; therefore, the purpose of the present article is to raise and discuss a number of them.

First, a conceptual scheme for classifying cooperative ventures pro-

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posed elsewhere (Lorange, 1986b), will be delineated briefly in the next section. Six human resource management issues as they related to the four types of cooperative modes identified in the conceptual scheme will then be considered. Finally, the conclusion will entail a synthesis of the strategic human resource management function within each of the four cooperative venture archetypes.

The present paper is preliminary and the arguments are normative. The research is part of a broader effort to study strategic management of cooperative multinational ventures based on clinical experience in a number of cooperative ventures.

CONCEPTUAL FRAMEWORK FOR COOPERATIVE VENTURES

It can be argued that the choice of a cooperative venture should satisfy several requirements of each participating partner. The cooperative venture must create a value-added chain by bringing together synergistic factors for a combined output greater than the sum of the outputs of each participating partner. The combined output must result in a competitive product or service, in comparison with alternative sources of supply.

The cooperative venture must also be useful for the pursuance of each partner's own individual strategy. The venture may still, of course, be of a different strategic importance to the various partners. For some partners, the cooperative venture may be an integral factor in the implementation of its overall strategy. For other partners, however, it may play a relatively minimal strategic role in this sense. Of course, this does not imply that the cooperative venture would be of little value; the dividend streams from the joint venture might still be tangible.

A partner in a joint venture may wish to keep a certain degree of discretionary control over its unique resources. Some strategic resources, such as unique technological skills or relevant marketing know-how, may not as readily be made available to the other partners as other, more common know-hows. The protection of exclusive know-hows may be particularly necessary in cases in which the joint venture is pertinent to the implementation of a parent's strategy.

Exhibit 1 portrays a two-dimensional conceptual framework for cooperative ventures, based on the relative degree of strategic importance of the venture to each partner, and the relative degree of retained discretionary control over its own resources desired by each partner. The overall rationale for the framework of this exhibit suggests an interplay among the two types of dimensions that are postulated to be important determinants of the cooperative venture's strategic context: the importance of the joint venture to the parent organizations and the degree of desired control over strategic resources retained by the parents.

Exhibit 1 also suggests several organizational forms that may be ap-

Exhibit 1. A conceptual framework for cooperative ventures.

			Strategic importance of cooperative venture for the parent organizations	
			Relatively high for all	Relatively higher for some; Relatively lower for others
		Cooperative venture's business adaptability capability / Cooperative venture's business organization	Relatively lower	Relatively higher
Degree of desired retained strategic control over own resources by each parent	Relatively higher	Skeleton	*Type A* Project based cooperative networks	*Type B* Licensing and/or royalty agreements
	Relatively lower (at least for some)	Full blown	*Type C* Cooperative ventures with permanently complimentary roles by the parents	*Type D* Jointly owned business ventures/Ongoing business concept

propriate for the cooperative venture. At one extreme, the cooperative venture may be a full-blown business organization in its own right, in many ways analogous to an independent business organization. This organizational design would be implemented under circumstances in which one or more of the parent organizations have become comfortable with relinquishing exceedingly tight strategic controls over their critical resources. On the other hand, if one or more of the parents feel that they must maintain tight control over critical strategic resources, the organizational form of the cooperative venture might be more skeletal or temporary, with a number of organizational functions carried out by the partners on behalf of the cooperative venture.

The conceptual scheme also offers implications for a cooperative venture organization's capacity to be adaptable to new environmental opportunities. One might expect that a full-blown organization would be able to adapt relatively easily to new business opportunities, as would a freestanding business organization. There will typically be considerable adaptive constraints due to a lack of immediately available strategic resources within a less full-blown organization, on the other hand, due to agreements among the parents on behalf of the cooperative venture.

Exhibit 1 illustrates four types of cooperative ventures which may result from this conceptual framework. Somewhat arbitrarily they can be labeled *cooperative ventures with permanently complementary roles by the parents* (such as franchising), *licensing and/or royalty agreements, project-based cooperative networks, and jointly owned ventures based on ongoing business concepts.*

In the following sections, human resource management functions as they apply to the four types of cooperative ventures will be considered. We shall claim that critical human resource management issues must be addressed differently for each of the four archetypes. It will become apparent that a unidimensional approach to human resource management, without recognizing the uniqueness of each type of cooperative venture, may result in suboptimal human resource management.

SIX CRITICAL HUMAN RESOURCE MANAGEMENT ISSUES

Based on preliminary clinical studies, six issues appear to be among the particularly crucial ones for human resource management within cooperative ventures in multinational settings. In the following paragraphs, the manner in which each of these issues can be approached in the context of the four cooperative venture archetypes will be discussed. The six issues are as follows:

- assignment of managers to cooperative ventures: who should be assigned where?

- the human resource transferability issue: who "controls" a particular manager?
- the trade-off in time-spending between operating and strategic tasks among various managers involved in the cooperative venture.
- judgment calls regarding the performance of the human resource in the established cooperative venture: how to avoid biases.
- human resource loyalty issues: the cooperative venture vs. the parent.
- individual managers' career planning issues: how can they achieve career progression through cooperative venture assignments?

A. Assignment of Human Resources to Cooperative Ventures

A difficult issue in the assignment of managers to a cooperative venture is the identification of the best persons for each job. A cooperative venture must be created in such a way that it possesses relevant complimentarities and synergies, so as to allow the cooperative venture to generate a satisfactory output through a meaningful value-added process. Managers will usually be assigned by the partners, and often they will have worked for one of them beforehand. Various partners' perceptions of the types of human skills and talents needed may differ. Some partners may have unrealistic biases regarding the quality of the managerial capabilities being assigned, and some may not wish to assign their best people because they want to keep them in their own organizations. The assigned managers may be competent as individuals but unable to work together in a cooperative organizational context due to cultural differences, communication problems, and so on. These are only a few of the issues that may impact upon the staffing of a cooperative venture.

In a project-based cooperative network, there will not be one common organization in the classical sense to be staffed jointly, but separately staffed organizational "modules" to be provided by each of the partners under their largely individual jurisdictions. Appropriate staffing is still important because there must be compatability between managers from the different organizations. Managers being allocated to this project-based organization must be able to understand one another and develop a meaningful communication pattern. The representatives from each parent organization must, above all, be able to communicate the key concepts of their package to be contributed to the project. Equally important, each member must be able to understand the unique features of the other members' packages so as to "translate" it to integratred, project-based opportunities. As such, the creation of compatible organizational entities is of major importance to this kind of project-based network.

As to the assignment of managers to cooperative ventures based on licensing and/or royalty agreements, there will also be two separate complementary organizational entities which must interact. The licensor must assign staff capable of providing sufficient training and organizational assistance for adequate transfer of know-how. Sufficiently competent managers must also be assigned to the venture from the licensee, to promote the transfer of know-how. Due to the relative difference in the strategic importance of the cooperative venture for the parents, it is a danger that one of the partners might be tempted to assign "second-stringers," thereby creating another potential source of friction.

For cooperative networks with permanently complementary roles by the parents in which a new, temporary organization must be created, assigning human resources to the project should be accomplished according to at least the following three criteria. First, assigned human resources must reflect the necessary specialized skills that each partner has agreed to contribute to the joint venture. These skills must be of adequate quality; thus, second or third stringers should normally not be assigned to the project. Second, the managers assigned must be sufficiently compatible in style to communicate and work together in effecting the cooperative venture. This requires team-work and cooperation across functions, not isolation within each specialized camp. Third, the assigned managers must have the ability to provide adequate feedback to their respective parent organizations, giving continuous ad-hoc support for unforseen backup activities within a reasonable amount of time.

The assignment of critical management resources to jointly-owned, ongoing business ventures also requires that management commitments be made for longer periods of time. Usually, the joint venture organization will also attract human resources within time from sources other than the parent organization. The assigned managerial resources must have relevant capabilities and must be of adequate quality. The overall blend of these human resources must have a cultural dimension to allow the development of an effective ongoing concern. The difference in importance of the cooperative venture to each of the partners makes it possible that a partner assigns relatively weak management resources to the venture.

In summary, the assignment of relevant management resources to various cooperative ventures is critical, but in different ways. For instance, for cooperative networks with permanently cooperative roles by the parents, the development of a workable common culture will be the challenge. On the other hand, with less formalized cooperative venture organizations, such as for project-based cooperative networks and licensing, the critical management assignment issue is to employ people who can communicate and interact with one another effectively in such settings. In the more formal, full-blown, jointly owned ongoing venture, the parents' role in the assignment of human resources may become less of an issue over time, because the jointly-owned organization may have to gradually bring in necessary human resources on its own, as in an independent business.

B. Transferability of Human Resources

By definition, a resource is strategic only if it can be freely transferred from one application to another, i.e., divested from an established, hopefully successful strategy, to an emerging strategy to be built for the future. Financial resources have traditionally been those most frequently considered for strategic reallocation (Henderson, 1979). However, the same principle applies to other strategic resources, such as unique technological know-how and human resources. But human resources can, of course, not be considered a "commodity" to be allocated in a mechanistic way; in this respect, they are different from financial resources. An adequate ethical and human rights foundation must be established for human resources to be strategically transferable from one work application to another. In the present context this implies that parents must be able to transfer human resources to and/or from the cooperative venture, and they might also be transferred within the cooperative venture from old to new job applications. In the latter case, the human resource has direct strategic value to the cooperative venture organization itself. The transferred human resource has strategic value to the parent organization due to its discretionary "power" to transfer it back. It must thus be ascertained whether the cooperative venture and/or a particular parent has discretionary decision-making powers in managerial reassignments, and within which strategic context these decisions are made. This is applicable to all of the four archetypal settings. An issue to be dealt with in a later section concerns the degree of influence decision-makers actually have over a given manager so that reassignment considerations do not lead to discontent or resignation.

The partners in a project-based cooperative network will typically maintain their own organizational capabilities within the cooperative franchising network. In such an organization, the human resource transfer issues may center on how each partner provides human resources "on loan" to the project, such as that of technical specialists being temporarily assigned to a project. The transfer of human resources tends to be temporary and is controlled by the parents. The parent in question also controls which type of assignment the manager in question will go to after the project-based venture is completed. Of course, the human resources which do not have sufficient alternative applications may be dismissed after the project is terminated. It often seems to be the case, in fact, that too many human resources are let go when a particular strategic project is over, thereby creating a "stop–go" human resource management approach which might deprive parent organizations of important strategic human assets. It should be noted that a parent organization will keep its own benefits in mind when consenting to reassign some of its key people on loan. Therefore, it may at times be difficult for the parent to justify such an arrangement, even though the competitive network as a whole might clearly benefit. Any overall half-heartedness or paranoia regarding this type of human resource assignment may, in the long run, hamper the successful development of a project-based cooperative network approach.

A similar situation might typically exist for a licensing type of cooperative arrangement. A licensor may transfer human resources temporarily to a licensee for training and technical assistance, provided that he has sufficient human resources available and that he can retrieve this resource.

As to the transfer of key human resources in a cooperative network with permanently complementary roles by the parents, the parent organizations will in principle be obligated to make available the relevant managerial resources. Each partner must, however, also have available sufficient additional human resources to cover their own independent needs. Given the nature of this type of cooperative venture, each parent organization should put particular emphasis on developing the capability to "take back" human resources, as these human skills may have significant strategic value in future organizational contexts. Some transfer of human resources among partners may at times also be necessary. For instance, a franchisor may provide human resources "on loan" to a franchisee, such as technical specialists being temporarily assigned to a franchisee. A franchisee may also "loan" human resources to a franchisor, say, to strengthen the franchisor's market understanding and ensure that the franchising package remains relevant and adapted to market realities.

In jointly-owned, ongoing business ventures, the issue is whether or not a parent organization is willing to transfer critical human resources to the new business venture. These strategic human resources would normally be assigned to the joint venture for a long period of time, perhaps for the entire remaining working career of the managers in question. The parents may thus have to transfer strategic human resources on a net basis during the initial phase and will not necessarily get them returned. Human resource management decisions will gradually be handled by the joint venture organization. Within the joint venture, human resources will have to be regenerated and developed and reallocated to new jobs therein, as in an independent business organization. Given the opportunity, however, the parent organizations should attempt to "welcome back" relevant human resources from the joint venture, and not automatically release them so that they might "accidentally" end up with competing organizations.

C. Managers' Time-Spending Patterns: On Operating vs. Strategic Task Trade-Offs?

Regarding the implementation of the strategies of a cooperative venture, it is worthwhile to keep in mind that this requires expenditure of efforts at the present time in order to develop a position with future prospective payoffs. This typically might result in an immediate lessening of operating results due to the diversion of resources for strategic use. In settings with full-blown cooperative venture organizations, these may execute independent judgment regarding how much resources to spend on the implementation of business strategies on their own. In this case, the cooperative organization has to carry out a set of operating duties simultaneously with its development of new strategies; as such, sufficient human resources will have to be earmarked for strategic development as well as for operating tasks. In the less fully developed skeleton organization, these strategic tasks will mainly be carried out by the partners on behalf of the cooperative venture. It is therefore key in the latter type of setting that the parent organizations are willing to spend resources in a coordinated fashion to facilitate this strategic development.

Thus, it must be ascertained *where* in a cooperative network do the human resources reside which have the responsibilities, capabilities, and capacity to carry out the development of further strategic moves. In other words, how does the cooperative network, on its own or together with the parent partners, meet the challenge of tackling *both* operating *and* strategic tasks on a parallel, ongoing basis? This leads to different considerations regarding the role of human resources in these trade-offs between operating and strategic challenges in each of the four archetypes.

In a project-based cooperative network organization, a common understanding and a clear division of labor between the managers of the participating organizations must be apparent, with respect to time allotted to strategic tasks such as further development of the technical base for the project cooperation and additional marketing efforts. The premise behind this is that future projects might result as a consequence of such coordinated strategy developments—if no future potential cooperation is contemplated then the issues discussed in this section will be largely irrelevant. Usually, these activities will involve specific hands-on cooperation between the various participant organizations, sometimes in the form of task forces. The managers assigned to such committees must have the time, energy, and motivation to actively contribute to such strategic development work, using some of the time normally spent in their own organizations for strategy development or on operating tasks.

In a licensing cooperative organization, strategic development tends to take place independently within the licensor and the licensee organizations. Thus, each organization must provide the relevant human resource capacity for strategic self-renewal. Here, too, some of this will involve joint cooperation, as in project-based cooperative ventures.

Relatively few free standing strategic development tasks will be typically carried out within the cooperative venture with permanently complementary roles by the parents, because it is created to take advantage of a strategic opportunity based on a pooling of the partner organizations' strategic capabilities. Thus, to some extent there will be independent adaptation and strategic self-renewal by each parent, to ensure that they set aside sufficient human resources to maintain unique capabilities. This splitting up of the responsibilities to adapt by strategic developments carried out by the partners alone may not be enough, however. Common strategic adaptive efforts may have to be carried out by the cooperative venture itself. In a franchising organization, for instance, a common understanding and a clear division of labor between the managers of the franchisor and franchisee organizations must be had as to time allotted to common strategic tasks, such as further development of the franchising package and additional marketing adaptability moves.

The joint, ongoing business cooperative venture organization faces a situation that is in many ways parallel to any independent business organization, in that it must be able to draw sufficient human resources from the operating mode to further develop its own strategy. If the joint venture is too thinly staffed, strategic development will suffer, and an eventual lack of self-renewal and decreasing strategic focus will result. The challenge, similar to that of any type of business organization, is to allot sufficient organizational energy and time for the pursuit of business self-renewal and further strategic development. This must always be done in parallel with the other operating tasks. Parent organizations must not exercise so much near-term pressure for operating results that the cooperative venture is left with insufficient resources for its staffing for strategic self-renewal.

D. Human Resource Competency Issues: Avoidance of Judgment Biases

Human resources assigned to cooperative ventures must be able to satisfy the skill requirements of the value-added chain in carrying out the functional activities for which each partner is responsible. The importance of choosing appropriate persons for assignment for specific tasks has been emphasized previously in Section A. In this section, human competency and skill assessment issues within the various types of cooperative ventures once in operation will be discussed. Thus, the challenge is how to judge managers in terms of how well they are able to carry out their assignments, once the assignment of executives have been made.

In project-based cooperative ventures, the bulk of the judgments regarding managerial competencies in carrying out their jobs will have to largely be executed by each partner on his own. The partners must be able to exercise human resource competency and performance judgments to develop a relevant way to execute their team roles. Although the partners will have to make human resource performance and competency judgments largely on their own, in some instances it may not be uncommon that the partners also make joint human resource judgments regarding team effectiveness and contributions towards making the cooperative project work, based on their experience regarding desirable human characteristics in this respect.

In licensing cooperative ventures, each partner will also have to make human resource performance judgments and considerations largely on their own, as in project-based cooperative networks. In addition, the licensor and the licensee must jointly assess the issue of the cooperative licensing ventures' ability to be trained, i.e., executives' performance and its abilities to give and absorb information as part of a fairly standardized learning and communication process.

Judgments in human resource performance and competency issues are also critical in cooperative networks with permanently complementary roles by the parents. The partners must cooperate in assessing their performance of one another's functional specialists. Given that each partner may feel that he will be solely responsible for making the human performance judgments that fall within his given sphere of competence, this may lead to biases, such as looking too favorably upon the performance of managers from one's own organization. This may result in the inadvertent buildup of second string functional specialists who cannot perform as effectively within the cooperative network as is desirable. For this reason, human resource performance and competency judgment issues should be dealt with by all of the partners in cooperation. In these situations, it may be appropriate to use joint performance review committees to make judgments and give feedback that is as free as possible from individual partner culture biases.

Judgments in human resource performance and competency must also be kept strictly in mind in the going concern cooperative venture. Several joint ventures have failed because they have been inappropriately staffed, due in part to lack of cooperation between myopic, biased parent organizations. In some instances, a partner may, for instance, have intended to get rid of some managers by unloading them on the cooperative venture. Whatever the case, it is imperative that the jointly owned cooperative venture establishes a thorough human resource performance review, so that ameliorating actions can be taken with regard to less than adequate performance within the jointly owned organizational setting.

E. Management Loyalty Issues: To the Cooperative Venture or to the Parent?

A manager may at times find himself in conflict between loyalty to his parent organization vs. loyalty to the cooperative venture organization to which he is presently assigned. These loyalty conflicts may be difficult and the management of them must be considered an integral part of the human resource management of cooperative ventures. The nature of these divided loyalty issues in the context of each of the four archetypes will now be described.

Divided loyalty issues are usually minimal in project-based cooperative networks, because the partner's employees will, of course, naturally tend to be loyal to their respective organizations. There may be "raiding" of good managers within such cooperative networks, however. A partner may easily notice outstanding human talents, given the typically close cooperation within such transparent arrangements. Thus, some managers may transfer between various partners. This may cause stress in the cooperative mode of the network, and the partners usually do well not to overdo such raiding of one another's talents.

For licensing types of cooperative arrangements, loyalty division similarly does not tend to be a major issue. Technical advisors "on loan" from the licensor will usually remain loyal to the licensor. If a technical advisor remains in an assigned advisory capacity for too long, however, loyalty may diminish. Therefore, to avoid "defections," it may make sense to rotate key technical advisors on a regular, scheduled basis.

Loyalty issues may become problematic in joint cooperative projects with permanently complementary roles by the parents. Each employee is ordinarily "on loan" from the parent organization and usually expects to return to the parent after some time. At the same time they must be "loyal" to their temporary assignment if it is to succeed. This may involve having to take positions which may go against the original parent organization's wishes. Professional integrity and judgment are key in implementing such assignments. Problem areas that may create such conflicts may most typically come up regarding transfer pricing and other pricing issues. In this context, the employees must be loyal to the project organization, as a practice of professional management conduct. The parent organization must have enough maturity and cultural tolerance to understand that this type of conflict is inevitable. They must not "punish" former employees who have been involved in such divided loyalty conflicts. A mature approach on the part of the parents is necessary to prevent the development of a feeling of paranoia among key employees.

Assigned executives tend to be loyal to the cooperative venture organization in the going concern cooperative context. Most employees can expect to stay with the cooperative venture for a long period of time in this instance. They may rarely return to their old parent organization at all; in fact, if a conflict arises, they would be expected to side with the cooperative venture. In global settings, there can be a problem when a national from a parent moves to a cooperative venture in another country. Despite this reassignment, he may often be perceived as still being associated with the parent organization. The loyalty issue can then become difficult and stressful for the executives involved. A similar situation can arise when national loyalty conflicts with loyalty to the cooperative ventures business which pursues global strategies that may be at odds with strict national interests.

F. Individual Managers' Career and Benefits Planning

Individual executives must be motivated to perform their assigned strategic tasks within the cooperative venture. To achieve this, one must above all create the appearance of future career relevance and a sense of job security. Assignment to a joint venture may make one's future career appear uncertain. An employee may wonder what types of jobs will be waiting, if any, after the joint venture assignment is over, and if others who remain in the parent organization will be assigned to the interesting new jobs on a "fast track" basis, while he is "forgotten" in the joint venture assignment. Steps must be taken to ameliorate employees' feelings of "being forgotten" by the parent while assigned to the cooperative venture. A fast-track, up-and-coming executive may feel that the joint venture assignment is a side-track, that he is "out of sight and out of mind," and that this assignment will actually impair the further development of his career. Parent organizations must offer career planning to inform up-and-coming talents of potential assignments that might be available after the joint venture. However, there must be a certain degree of formality in the career-planning system to make it credible. A clear-cut career planning approach can counter the ambiguity and riskiness associated with a cooperative venture assignment.

Joint venture assignments may require relocation, which can impact on quality of living in general. This is often expensive, may be potentially disturbing for the family, may require a change of housing, and so on. Individual managers' economic and emotional discomforts must be minimized in this respect. In a cooperative venture setting, the split decision-making roles among the parents must take this issue into consideration. An executive must be able to maintain the employee benefits he would have accrued in the parent organization. Thus, the individual manager should not feel he is losing salary, retirement benefits, bonus eligibility, fringe benefits, and so on; he should be able to draw on these benefits after he temporarily leaves for the joint venture. How these career planning and benefits issues apply to each of the four archetypes will be considered next.

Within the project-based type of cooperative venture, the individual executive's career outlook and incentives will have to be closely aligned with the administrative procedures of each parent organization. The temporary nature of the project-based organization may present a problem for the individual who desires to grow, unless his parent organization provides a sensitivity to offering stimulating opportunities for further individual growth by giving the executive the opportunity to transfer to a meaningful new job within the partner's organizations or to another project-based venture assignment. The compartmentalization of jobs into free-standing temporary organization assignments should not engender a lack of willingness to implement career planning within the overall system. This overall view must override the somewhat narrower temporary organizational focus.

For a licensing type of cooperative venture, the licensee must motivate its employees to support the implementation of the license agreement. This can be facilitated by implementing a career development plan within the licensee organizations. The licensor must similarly ensure that it motivates the advisors working with the licensees to approach these jobs without fearing that they are being exploited or side-tracked. This group of executives must not feel that they are "out in the cold" and have reached an organizational dead end. Systematic job rotation schemes must be utilized for these advisors.

In the cooperative ventures with permanently complementary roles by the parents, the executive must, above all, have a strong feeling of job security. These strategic projects often involve temporary assignments, which might engender uncertainty and anxiety in the employees, as to what type of jobs they will go to next. Many of them will have to find entirely new jobs outside the present cooperative organizational network. The temporary nature of these assignments must not cause so much anxiety and perceived loss of job security that the employees become dysfunctional. Career planning seems essential here so that the employee knows what he is coming back to.

The career planning of the employees in the jointly owned business organization should be tied in with the joint venture organization itself. Here too, an employee should be given the opportunity to return to the parent organization if he so wishes, to avoid the fear of stagnating within the joint venture organization or of being deprived of promotional opportunities elsewhere in one of the parents. However, he must decide quickly whether he wants to stake out his career in the parent or the joint venture. It is important to be explicit regarding preference and expectation for the broader or narrower career tracks.

CONCLUDING COMMENTS

In conclusion, the human resource management function will at times differ quite dramatically in cooperative venture contexts compared to that of the better-known, wholly-owned corporate settings. Further, the human resource function may differ dramatically among different types of cooperative ventures, such as between the four types of cooperative ventures which have been identified.

In a project-based type of cooperative venture, the human resource management function will largely be carried out by each partner in a "compartmentalized" manner and largely on behalf of their own organizational entities. However, the strategic human resource management functions must be coordinated to some degree, particularly in the attempt to develop a relatively homogenous type of value system in approaching central dimensions of the cooperative project business, when it comes to attitude towards such as quality, competitiveness in securing follow-on projects, and so on. Also, the establishment of a common communication style can be a major determinant to success. This can be enhanced by allowing for consultation among the parents regarding such issues as dealing with biases in human resource assessments, allowing for broader career opportunities, and so on.

A similar type of quite separate human resource management arrangements among the partners will have to be made in licensing-type cooperative agreement settings. However, the human resource management groups of the licensor and licensee must find ways to cooperate to a certain extent, above all, in the assignment of advisors to the licensee.

The human resource function will probably also to some extent be dealt with independently by each parent in the cooperative venture with permanently complementary roles by the parents. In this setting there must, however, be solid coordination between the various human resource management functions of the parents, so that a common organizational approach can be established, which is functioning with the necessary compatibility among members' styles. A separate parallel human resource management function may have to be established within the cooperative venture itself, complementing the parents' human resource management capabilities.

Finally, regarding the jointly owned ongoing cooperative venture business, a strong, full-fledged human resource management function will have to be established within the joint venture itself. This function will have to find ways to work closely with that of each parent, however, particularly during the first years. The human resource function within the joint venture must gradually encourage the development of new human resource capabilities which can enhance the strategic progress of the joint venture.

Overall, the human resource management function within all types of cooperative ventures will have to attempt to undertake two types of tasks. First, it will attempt to assign and motivate people in appropriate ways, so that the value creation within the cooperative venture will proceed as well as possible. To create such an arrangement requires particular attention to job skills, compatability of styles, communication compatability, and so on. Second, human resources will have to be managed strategically. This means that human resources will not only have to be allocated with a view towards the needs of the cooperative venture activity, but also with a view towards potential repatriation to a parent, to be used later in other contexts for other strategic purposes. As such, the cooperative venture must be seen as a vehicle to produce not only financial rewards, but also managerial capabilities, which can be used later in other strategic settings.

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