Competitive pressures are forcing many organizations to adopt global “best” practices in order to survive. However, there are also pressures against globalization. One of the greatest factors hindering the adoption of global human resource management (HRM) practices is culture. Managing is strongly influenced by national culture. Culture influences such diverse things as what the attributes of effective managers are considered to be, the features of a well-functioning organization, and the determinants of career success (Laurent, 1986). For example, according to the Anglo-Saxons, management ability depends on interpersonal skills; according to the French, the most intellectual individuals make the best managers; whereas the Germans feel that good management is a function of formal authority (Sparrow & Hiltrop, 1997). Thus,
organizations around the world are adopting global practices, however, in many instances, they are doing so in ways that are nationally specific.

This paper addresses the question of the extent to which Spanish organizations are adopting foreign HRM practices. Are Spanish organizations moving toward a global model of management, or are they picking and choosing certain practices that fit better with the Spanish culture, while avoiding other practices that clash with the Latin style of managing?

In the following sections, we present a thorough review of the literature on HRM practices in Spain. Given the fact that the HRM field is very broad and has been one of the most popular fields of study among management scholars in Spain during the past decade, there may be a number of studies not covered in this review. We focused our review on relevant papers published over the past 13 years in the most prestigious international journals. In addition to these papers, we have included some studies published in reputable Spanish journals, as well as some papers presented at international and national conferences. After summarizing the research in each of the major areas of HRM, we conclude by identifying the characteristics of the Spanish culture that may be influencing the adoption of global HRM practices.

HRM IN SPAIN

Job Design

Job design in Spain appears to be adopting few new forms. A study of 965 large manufacturing firms showed that Spanish plant workers have jobs that are monotonous, routine, and nontechnical, and that workers have very little discretion in their jobs: 92 percent being closely supervised and only 7 percent having a high amount of autonomy (García-Olaverri & Huerta-Arribas, 1999). The industrial firms included in this sample represent all relevant sectors in the Spanish industry with 50 or more employees, 72 percent of the plants had less than 200 employees. Using data from the same sample, Bayo-Moriones and Merino-Díaz de Cerio (2001) found that manual workers have very little freedom in organizing their tasks, typically limited to setting up machinery or training new employees (Bayo-Moriones & Merino-Díaz de Cerio, 2001). An additional study surveyed 70 Spanish companies with more than 500 employees and found that although flexible hours are gradually being introduced, new forms of work such as job enrichment, job enlargement, or autonomous work groups have only experienced modest development (Rodríguez, 1991). There is no evidence that innovations such as just-in-time procedures, quality circles, or teams have become widespread in Spain (Pérez-Díaz & Rodríguez, 1997). According to García-Olaverri and Huerta-Arribas (1999), 55 percent of the workers in large Spanish manufacturing organizations do not rotate in their jobs, 57 percent do not work in teams, only 19 percent participate in the design of their work, and more than half of the companies do not use groups for problem solving. Furthermore, 70 percent of the organizations reported that they are not moving toward a flatter structure. Finally, an estimated 30 percent of Spanish companies do not have formal job descriptions (Rodríguez, 1991).

Employee Involvement

Spanish companies appear to share little information with their employees. One study reported that 40 percent of Spanish companies have no formal communication plan (Rodríguez, 1991). When communication does take place, informative meetings are the most widespread practice with suggestion systems also being typical (Bayo-Moriones & Merino-Díaz de Cerio, 2001). In a survey exploring the gap between how companies are seen at present and how people would like them to be, Diez, Soler, Sureda, and Visauta (2003) found that one of the largest gaps was for internal communication and continuous feedback. Interestingly, a recent study comparing Spanish and North American MBA students’ attitudes regarding feedback seeking found that Spaniards are less dependent on formalized feedback systems than Americans because the former are more likely to seek feedback through informal channels and are also better at interpreting informal information due to cultural differences (Brutus, Cabrera, & De la Rosa, 2004).

A survey of 115 managers working for the same company in plants in Spain, the Netherlands, the United Kingdom, and the United States revealed that Spanish managers had significantly lower levels of participation compared to the other countries (McFarlin, Sweeney, & Cotton, 1992). Another study comparing levels of employee participation among 10 European countries found that Spain had the lowest level of participation, especially delegative participation (Ortega & Cabrera, 2002). Ortega and Cabrera reported that levels of employee participation in Spain were similar, even a bit higher, than participation levels in the rest of Europe in 1985. However, Spain now has one of the lowest levels of participation in Western Europe because, while organizations in the rest of Europe actively increased their participation programs during the 1990s, Spanish organizations did not.

In their study of employee participation systems in Spain, García-Lorenzo and Prado (2003) surveyed 444 companies, mostly medium sized, representing a wide range of industries. According to their results, improvement teams (74 percent) were the most used participation system in Spanish companies, followed by suggestion systems (65 percent), with the use of quality circles (29 percent) falling much further behind. The study also revealed that these programs have only recently been adopted in Spain, with 88 percent of the improvement teams and suggestion systems having been intro-
duced since 1994 (García-Lorenzo & Prado, 2003). Another one of the gaps discovered by Diez and his colleagues was that of participative formulation of policies and strategies (Diez et al., 2003). Employees reported wanting to participate more than their companies currently allow. However, Spanish managers have expressed reservations about employee participation in Spain, worried that employees lack the necessary abilities and that top management may perceive increased participation as a threat to their power and status (McFarlin et al., 1992).

The use of teams has not been widely adopted by Spanish companies. Bayo-Moriones and Merino-Diaz de Cerio (2001) found that only 17 percent of workers in Spanish manufacturing firms work in teams. Managers in Spanish subsidiaries of a Japanese company reported that Spanish workers are unwilling to participate in teamwork, and they attribute this to their self-focus, as compared to the group focus of Japanese workers (Adenso-Díaz, Kawamura, & González-Torre, 1999).

### Staffing

Recruitment methods in Spain are informal. Favored methods include personal contacts, unsolicited applications, and internal advertising (Baruel, 1996; Florez-Saborido, Gonzalez-Rendon, & Alcaide-Castro, 1992). More than half of the companies, all large in size, surveyed by Rodríguez (1991) reported that they did not have a formal recruitment strategy. However, there does appear to be an increase in the use of press advertising, headhunters, and temporary work agencies (Florez-Saborido et al., 1992). Segalla and his colleagues (Segalla, Sauquet, & Turati, 2001) asked nearly 300 managers working in financial institutions in England, France, Germany, Italy, and Spain their recruitment preferences in a given situation. They found that Spanish managers were more likely to adopt internal promotion policies and tended to prefer local candidates over foreigners (Segalla et al., 2001). They also found that Spanish recruiters focused on technical skills rather than on formal training.

As we mentioned, Spanish companies rely mainly on internal promotion to fill vacancies. Although one of the studies we reviewed revealed a preference for external recruitment (Martin, Romero, Valle, & Dolan, 2001), the majority reported a preference for internal promotion (Bayo-Moriones & Merino-Diaz de Cerio, 2001; López-Cabrales, Valle-Cabrera, & Herrero-Chacón, 2003; Segalla et al., 2001). It is also true that the preference for internal promotion is stronger in the low to medium ranges of organizations than at the management level, where up to half of the recruitment is external (Valle, Martin, & Romero, 2001). Traditionally, these promotions were based on seniority, and although Spanish managers still value seniority more than other European managers (Segalla et al., 2001), the tendency to base promotions on seniority is clearly on the decline (Martin et al., 2001). Promotions in Spain are increasingly based on criteria such as performance, abilities, work qualifications, and leadership skills (Bayo-Moriones & Merino-Diaz de Cerio, 2001; Florez-Saborido et al., 1992; Rodríguez, 1991; Valle et al., 2001).

The most popular selection method in Spain is the interview (Rodríguez, 1991). A study by Ryan and her colleagues showed the one-on-one interview to be the favored selection method in Spain, well above the average use of interviews among the 19 other countries included in their study (Ryan, McFarland, Baron, & Page, 1999). Studies by Baruel (1996) and Bayo-Moriones and Merino-Diaz de Cerio (2001) also confirm that the interview is the most commonly used means of selection. The use of interviews is followed closely by testing (Florez-Saborido et al., 1992). Baruel (1996) analyzed data from a survey of 105 of the largest 1,000 companies in Spain, and found that work or performance tests came just behind the use of interviews, and that psychometric tests were the third most used selection method. Ryan et al. (1999) reported that the number of tests used in Spain was 6.40, versus 3.73 in the United States, and an average of 4.71 for all countries studied. The extent of testing in Spain was 27.62, as opposed to 20.00 in the United States, and an average of all countries of 24.20. The use of personality, cognitive ability, work sample, foreign language, honesty, and projective tests in Spain were all above the average of the other countries studied (Ryan et al., 1999). Psychological tests are used most for young and inexperienced candidates (Florez-Saborido et al., 1992).

Recruitment and selection activities focus on previous experience and potential to learn. Larger companies place more emphasis on level of training than do smaller firms, and the ability to work as a team is increasingly being considered (Bayo-Moriones & Merino-Diaz de Cerio, 2001; Lopez-Cabrales et al., 2003). External agencies are typically hired to lead group interaction exercises (Florez-Saborido et al., 1992). In fact, 65 percent of the firms surveyed by Dolan and his colleagues reported that they depended on external providers for their recruitment and selection activities (Dolan, Sierra, Mach, & Obeso, 2003).

### Training and Career Management

At an institutional level, it is broadly recognized that training is vital for coping with the continuous changes in the environment. For example, the European Union has spent a great deal of time and money creating institutions and developing projects to promote and support professional training. In the Spanish context, this is a more recent concern, evidenced by the fact that Spain has lower levels of investment in training than most European countries (Barba, Aragón, & Sanz, 2000). Nonetheless, social agents in Spain are making a great effort to design policy that promotes, coordinates, and instigates
training initiatives. An example of this is the creation in 1993 of a private foundation for continuous training (Fundación para la Formación Continua [FORCEM]) resulting from an agreement between the most influential unions and entrepreneurial organizations. This institution is dedicated to managing and distributing funds to organizations that, in exchange, must develop and justify their training actions. The effect that this agency has had can be seen by looking at the percentage of certified trainees over the total number of wage earners, which rose from 4.56 percent to more than 18 percent between 1993 and 1996.

Nonetheless, the training picture is quite different when one looks at the organizational level. Although most Spanish companies consider training to be an important HRM issue, and a high degree of time is allocated to training, the expenditure on training in Spain is very low (Florez-Saborido et al., 1992; Holden & Livian, 1992). Spanish companies spend less than 2 percent of their payroll on training, which is lower than many other European countries (Filella, 1992). Training in small to medium-sized companies, which comprise the great majority of Spanish companies, is either minimal or nonexistent (Florez-Saborido et al., 1992). These findings are consistent with more recent data from the study of Barba et al. (2000). These authors surveyed 300 small industrial companies, and their results showed that investment in training was quite low. They also found an attitude of great indifference toward training, especially in small and medium-sized firms.

Most training is given in large companies and is geared toward managers. Executives receive the most training, with middle managers and technical personnel also receiving a good amount of training (Baruel, 1996). Many companies complain that the official education system has been slow to respond to business demands, which increases the need for training (Florez-Saborido et al., 1992). Furthermore, the need to prepare existing employees for internal promotions makes retraining necessary (Holden & Livian, 1992).

A study of 130 industrial companies with more than 500 employees showed that most training in Spain is carried out in an informal fashion and tends to be reactive, focusing on short-term results (Valle et al., 2001). After analyzing the data from the 1990 and 1991 PriceWaterhouse Cranfield surveys of 10 European countries, Holden and Livian (1992) reported that a quarter of the Spanish companies surveyed had no systematic assessment of their training needs. Those that did used mostly informal methods such as line manager and employee requests for training. They also found that a fourth of the Spanish companies surveyed did not monitor the effectiveness of their training programs. Again, those that did tended to do so by simply asking line managers and trainees for their opinions of the program. In another survey of large Spanish companies, Rodríguez (1991) found that one-third had no training plans at all. Many companies are believed to accept external training courses offered by consulting firms instead of relying on a careful analysis of their specific training needs (Florez-Saborido et al., 1992). This is especially true of training for executives, which is more often provided by courses given outside of the company (Baruel, 1996).

As far as the content of training in Spanish companies is concerned, the most frequent form of training focuses on improving current job performance, whereas training in team building, interpersonal relationships, and problem solving is gaining in popularity (Bayo-Moriones & Merino-Díaz de Cerio, 2001; López-Cabrales et al., 2003). There is also a trend toward training employees to be multiskilled and thus be more flexible (Valle et al., 2001). Valle, Martín, Romero, and Dolan (2000) analyzed 65 industrial companies with more than 500 employees and found that organizations tend to use distinct training strategies for different work processes. Finally, the human resource (HR) department makes most training policy decisions in large Spanish companies with suggestions from line managers (Dolan et al., 2003).

Career management does not tend to be a formalized HR practice within Spanish organizations. It often appears to be overshadowed by the urgency of day-to-day pressures (Martin et al., 2001). Based on the results of their study of 130 large Spanish industrial companies, Valle and his colleagues acknowledged the “widespread lack of designed career plans” in these companies (2001: 249). A recent study reported that only about a fourth of the companies they surveyed had a written policy for management development, versus 40 percent that reported having an unwritten policy, and 34 percent having no management development policy at all (Dolan et al., 2003). Rodríguez (1991) found that only 15 percent of the companies he surveyed had succession planning charts. According to Spanish employees, they would like to have more self-development opportunities than their organizations currently offer (Diez et al., 2003). Thus, career management appears to be quite an underdeveloped, or at the very least, informal, HR practice in Spain.

Performance Appraisals

There is not much evidence that Spanish firms use formalized performance appraisal systems. In fact, there is a lack of evidence regarding performance appraisals in general. This may be due to the fact that performance appraisal is a largely unexplored area in the HRM literature—not only in Spain. One study that we reviewed found that more than 40 percent of the companies surveyed had no performance appraisal system (Rodríguez, 1991). More recent research highlighted some interesting facts: 53 percent of the firms surveyed said they do not appraise the performance of their clerical employees, 50 percent do not use performance appraisals to determine promotion potential, and 61 percent do not use performance...
appraisals for career development purposes (Dolan et al., 2003). Having mentioned earlier a lack of career management in Spanish companies, the finding that performance appraisals are not widely used for career planning is not surprising (Holden & Livian, 1992).

Compensation

Spanish organizations are showing some progress toward the use of “global” compensation practices. Although evidence suggests that Spanish organizations are still traditional as far as compensation goes, usually having rigid salary hierarchies, limited transparency, and a lack of long-term orientation (Valle et al., 2001), other researchers have found certain trends toward modernization with the implementation of practices such as pay-for-productivity or individual performance. For example, Bayo-Moriones and Merino-Díaz de Cerio (2001) observed a slight increase in the wage discrepancy that comes from an attempt to reward individual ability and performance. Others have noted a trend to remunerate more on the basis of competencies or abilities and to strengthen the variable part of the compensation package (Valle et al., 2001). A recent study reported that around 56 percent of firms surveyed determined pay at the individual level for professional and technical workers (Dolan et al., 2003). They also found that 86 out of 124 firms used merit and performance-related pay for managers. A large study of manufacturing plants reported that more than half of them based pay on the number of units produced. This study also revealed that large plants tended to reward employees for building up a variety of skills and knowledge, whereas small and medium plants were more focused on rewarding performance (Bayo-Moriones & Merino-Díaz de Cerio, 2001). Fringe benefits are also gaining in popularity. One study suggests that there has been a marked increase in fringe benefits because of their financial advantages and the need to attract and retain highly qualified staff (Florez-Saborido et al., 1992).

Despite these trends, variable pay is relatively low in Spain when compared with other European countries. Certain resistance to variable compensation still exists in Spain—for instance, most blue-collar workers oppose a rise in the variable component of their pay. Nonetheless, there does seem to be a movement toward offering salaries linked to productivity, merit, and personal contribution at the individual level. Undoubtedly, greater competition has put pressure on organizations to increase performance-related pay. An increase in the number of consulting firms offering wage surveys corroborates the idea that Spanish companies are becoming more interested in offering competitive market wages (Florez-Saborido et al., 1992).

However, while pay-for-performance appears to be increasing at the individual level, there is not a similar trend as far as group- and organization-level incentives go. Dolan et al. (2003) reported that only 27 percent of the firms they surveyed had group bonus schemes. López-Cabrales and his colleagues (2003) also noted that Spanish companies do not use compensation strategies, such as ownership programs, profit sharing, or group-based incentives. Similarly, Garrido and her colleagues affirmed that compensation based on stocks and multiperiod firm results are rare in the Spanish environment (Garrido Samaniego, Antón Martín, & Pérez Santana, 2002). According to Bayo-Moriones and Huerta-Arribas (2002), only 10 percent of the large Spanish manufacturing firms have organizational incentives, and those that do tend to be smaller establishments, multinational firms, and firms that also implement advanced HRM practices such as greater worker responsibility and employee involvement.

The tendency of Spanish firms not to use organizational incentives may be influenced by the fact that the Spanish government has not adopted a policy to encourage the implementation of financial participation schemes (Bayo-Moriones & Huerta-Arribas, 2002). A recent study points out that the Spanish government’s attitude toward this issue is changing, based on encouragement from the European Union, and it indicates that the government is introducing some changes in the fiscal legislation to promote the adoption of employee financial participation plans (Larraza-Kintana & Ortega-Lapiędra, 2004). Hence, this trend is likely to change in the future.

We close with two final observations from our review of compensation practices. First, seniority appears to be diminishing as a factor in determining pay in Spanish companies, although it is still found quite often, particularly for clerical and manual workers (Rodríguez, 1991). Second, there appears to be a growing number of companies using job evaluation with the aim of increasing internal equity (Florez-Saborido et al., 1992). For instance, Rodríguez (1991) reported that job evaluation was being used more to help set equitable compensation policies, even though more than 40 percent of the companies reportedly did not use job evaluation at all.

In addition to the major functional areas of HRM, we reviewed two other aspects that we considered important in order to determine whether or not Spanish companies are becoming more global with respect to managing their employees. Next, we discuss the findings in the literature concerning the Spanish labor market and the perceived status of the HR department in Spanish companies.

Labor Market

According to Pérez-Díaz and Rodríguez (1997), the Spanish labor market can be broken down into four submarkets: (1) a market for permanent jobs characterized by job security and wages governed by collective agreements, (2) a market for tem-
porary jobs, (3) a market that operates through a large hidden economy, and (4) a market consisting of a large group of unemployed population living off public subsidies. According to these authors, almost all new entrants into the labor market, mainly young workers, are employed in temporary jobs. They also explained that the underground market is important in sectors such as agriculture, textiles, and footwear. Finally, Pérez-Díaz and Rodríguez pointed out that many of the officially unemployed workers living off subsidies are actually working in the hidden economy. A recent study gives a more optimistic picture of the situation, suggesting that this complex labor market structure is slowly disappearing (Quintanilla, Susaeta, & López, 2004).

Rigidity is the overriding feature of the Spanish labor market. During the 1990s, there were legal reforms that transformed the traditional professional categories into new professional groups, attempting to develop more functional mobility and flexibility, promote multiple skills, and modify the compensation structure. However, the expected effects of these reforms have yet to be seen. In practical terms, the labor market remains highly regulated, and reducing the workforce is considerably more expensive in Spain than it is in other countries (Baruel, 1996). This results in a strong preference on the part of organizations for temporary contracts.

In 1996, only 4 percent of new contracts were full-time permanent contracts, bringing the total of all wage earners in temporary contracts to more than one-third (Gooderham, Nordhaug, & Ringdal, 1999). More recent research reported that only 14 percent of companies surveyed had more than 20 percent of their total workforce on fixed contracts. It was also found that in 38 percent of the companies surveyed, the percentage of their total workforce having fixed contracts ranged from 1 to 5 percent, whereas 11 percent of the firms in the sample had less than 1 percent of their workers with fixed contracts (Dolan et al., 2003). These figures suggest that the proportion of temporary workers is increasing in Spain, however, temporary work is not the norm in the Spanish labor market. In fact, in recent years, temporary contracts have been restricted to temporary work or to ease workload peaks (Quintanilla et al., 2004).

Trade unions are an important factor contributing to the rigid labor market. Union membership in Spain is relatively low; Dolan et al. (2003) reported that in 77 percent of the companies they studied, less than 25 percent of the workforce were members of a trade union. Nonetheless, unions are quite influential in the Spanish labor market. Spain has a well-established statutory model of worker representation. Companies with 50 employees or more elect a workers’ committee that has significant powers to consult and negotiate with management (Ferner, Quintanilla, & Varul, 2001). Unions often gain power through the support they receive in the workers’ committee elections (Ferner et al., 2001). Furthermore, one study reported that 62 percent of large Spanish companies have a collective agreement (Rodríguez, 1991).

The Spanish union culture tends to be conflictual. It has been characterized as “based on extracting concessions from management using all available weapons” (Ferner et al., 2001: 118). Supporting this point of view, Filella (1992) concluded that labor unions enjoy undue strength, and that strikes are quite common in Spain. Rodríguez (1991) asserted that pay and benefits are the main triggers of strikes. Likewise, Pérez-Díaz and Rodríguez (1997) stated that unions are mainly interested in wages and employment security, and that there is a mentality of confrontation and suspicion of management. This combative, rather than constructive, behavior makes it difficult for foreign companies to understand and deal with unions in Spain. For example, Japanese executives have complained that trade unions in Spain are “antagonistic” and “anchored in the past.” They say that Japanese investment in Spain is hindered by labor relations, strikes, the union system, and the resulting high wages (Adenso-Díaz et al., 1999).

As mentioned earlier, one of the main focuses of the Spanish unions is on limiting changes to the rules governing employers’ liability for redundancy costs. This is what has led to such a rigid system and is why employers have been forced to sidestep the legislation and achieve numerical flexibility through temporary contracts (Gooderham et al., 1999). The increasing need for labor flexibility is pushing Spain to join the European-wide trend of moving toward new systems of labor relations based on individual negotiations of contracts and conditions (Flores-Saborido et al., 1992). Although unions are making this process more difficult, they have not been able to stop it. In fact, it is precisely their fight to save employees from unemployment that has forced companies to use temporary rather than indefinite contracts (Gooderham et al., 1999).

That being said, it does appear that unions are evolving, as they recognize the need to adapt to the changes in the environment. Although systematic studies are lacking, there are signs that suggest a change in union behavior. For example, in response to the current environment where Spain is losing the low labor cost advantage it has enjoyed in the past, Spanish unions have teamed with entrepreneurial organizations to cofound and comanage the previously mentioned institution, FORCEM, to develop and manage continuous training initiatives. This institution was created, in part, with the aim of having a more flexible, skillful, and creative workforce capable of value-adding activities rather than the more traditional low-cost manufacturing focus. Valle et al. (2000) examined opinions regarding unions when training issues were at hand and found that 52 percent of the companies surveyed indicated that they received support from the unions for training initiatives, whereas only 15 percent reported that unions were hindrances or obstacles.
A final aspect of the labor market that must be mentioned is the quality of working life in Spain. Molinero, Serrano, and Arteta (2004) recently described the life of the Spanish worker, arguing that working life in Spain is one of the worst in Europe. It is characterized by a high rate of unemployment, a high level of labor accidents, a high number of temporary jobs, a lack of training opportunities, and a lack of balance between work and family life. Molinero et al. went on to assert that the Spanish work culture values present more than results, and that the current work schedule (from 9 a.m. until 7 p.m. with a long lunch break) is not productive. According to Molinero et al., Spain was third from the bottom in earnings and second from the bottom in productivity compared to the rest of Europe. They also reported that a fourth of Spanish workers work overtime without being paid for it, and argued that the long workday is not compatible with family life. These problems may be compounded by the lack of work/family policies in most Spanish organizations (Poelmans, Chinchilla, & Cardona, 2003).

In summary, the Spanish labor market consists of a core of permanent jobholders with an increasing contingent of temporary workers. Unions tend to have a conflictive relationship with management, and unions focus on protecting the jobs and wages of these permanent workers. Finally, long work hours appear to contribute to lower levels of productivity as well as to complicate issues of work/family balance.

HRM Status

The personnel function in Spain has historically been underdeveloped. It is often perceived as a low-status function, tending to be reactive with scarce resources, limited status, and little strategic orientation (Baruel, 1996; Gooderham et al., 1999). For example, in two-thirds of the companies studied by Filella (1992), human resource decisions were made by top management, whereas the HR department was confined to implementing these decisions. According to Baruel (1996), only one-fifth of the companies he surveyed had a stand-alone HR director. He added that 7 out of 10 firms reported having the head of HR as a member of the main board; however, this figure was clearly overstated, because in only 21 percent of these cases was the director solely responsible for HR. Baruel further reported that 25 percent of the companies had no HR person in the first or second level of the organization. Finally, HR managers were consulted for corporate decisions in only 2 percent of these decisions. More recently, Valle et al. (2001) concluded that few Spanish companies align their HR philosophy with the company strategy, noting that most of them followed universalistic approaches, probably because of external pressures and imitation.

The status and strategic focus of HRM activities among Spanish organizations appears to be influenced by characteristics such as nationality, scope of activities, and size. Some studies have found that the HR director was a member of the management board only in larger companies, and that these companies often adopted a strategic, long-range HR perspective (Baruel, 1996; Florez-Saborio et al., 1992). Likewise, in a study of large Spanish companies, Cabrera, Cabrera, and Collins (2001) found that HR departments in Spain gave similar importance to the strategic and operative HR roles. There is also evidence that foreign ownership of capital and the global scope of activities shape the view of HR in Spanish companies. For example, 55 percent of HR managers in companies with Spanish capital participate in formulating strategy, this rises to 77 percent in firms competing internationally, and 92 percent in foreign-owned companies. Furthermore, whereas 100 percent of the HR directors in companies with foreign capital report to the CEO, only 57 percent of them do so in the case of Spanish capital firms (Valle et al., 2001). Thus, it appears that the status of HRM in Spain is clearly greater in larger multinationals.

SUMMARY

Our review of HRM in Spain reveals a mix of traditional practices alongside more global approaches, showing that overall Spanish firms’ adoption of global HRM practices lacks internal consistency. In general, Spanish organizations have not tended to adopt newer forms of work organization or higher levels of employee involvement. HRM practices such as formal job descriptions, formal communication plans, participation, and teamwork are not being embraced by Spanish organizations. According to Bayo-Moriones and Merino-Diaz de Cerio (2001), although the use of high-commitment or high-performance practices is growing in Spain, there are still widely accepted traditional methods. The authors found that the degree of diffusion of various practices is quite varied; for example, they reported the existence of job enlargement, although it was often not accompanied by more responsibility. They concluded that commitment practices were being adopted on a partial basis and more so in token aspects of work rather than in the more core aspects (Bayo-Moriones & Merino-Diaz de Cerio, 2001). Some of the rigidity in the work organization may be due to the tightly regulated skill classifications and grading structures that exist in Spain, although these regulations are being progressively abolished (Ferner et al., 2001).

Staffing and recruitment practices remain fairly informal in Spanish organizations. Recruitment is often based on personal contacts, and the one-on-one interview is the preferred selection method. Curiously, at the same time, Spain ranks as one of the highest users of testing. Here is a good example of the combination of informal, traditional practices alongside more rigorous, objective methods often found in Spain. Training in Spanish organizations also appears to be informal,
with organizations following more traditional methods of reacting to requests for training rather than systematically assessing training needs. Career management is not a priority for most Spanish organizations. Very few formal programs exist for helping employees to manage their careers. Likewise, based on findings reported in the studies reviewed, we see little evidence of formal performance appraisal systems. This is especially true in the case of appraising performance for career development purposes.

Compensation may be the area of HRM where Spanish companies have adopted the most global practices. Spanish organizations seem to be moving toward compensation systems that reward individual performance. Variable pay in Spain is still lower than in other countries, yet it is increasing, and the use of fringe benefits is also on the rise. However, although pay-for-performance at the individual level is increasing, Spanish companies have been slow to extend these programs to the group and organizational levels. So, here again, we see the partial adoption of global HRM practices.

Our review highlighted a number of problems with the labor market in Spain. Specifically, rigidity in employment regulation, influenced strongly by union opposition to reducing redundancy costs, has led the Spanish market to have an extremely high number of temporary contracts. Spanish labor laws attempt to guarantee employment; however, the need for flexibility in order to compete is forcing companies to circumvent the laws by hiring a majority of their workers based on temporary contracts. This actually leads to less job security for a significant percentage of Spanish workers, especially for young, new workers. Until the market becomes less rigid, this trend is likely to continue.

Another problem is working life in Spain. The long workdays, often including unpaid overtime, contribute to low productivity and higher levels of stress stemming from work/family imbalance. Finally, the status of HRM and its strategic focus is increasing in larger, international firms, however, in smaller companies, it is still perceived as a more operative function, with many companies simply copying what other firms are doing rather than attempting to strategically align their HRM practices with their business objectives.

CULTURE

We will now take a look at the Spanish culture in order to identify possible cultural influences on the adoption of global HRM practices by Spanish organizations. According to GLOBE, a recent study of cultures around the world, the Spanish culture is characterized by high power distance and high family collectivism, on one hand, and low uncertainty avoidance, future orientation, and institutional collectivism, on the other (Correia Jesuino, 2002). Thus, Spaniards tend to accept that institutional and organizational power is unevenly distributed, and they are authority conscious. They are collectivist when it comes to family, expressing pride and interdependence in their families, but are much less loyal and cohesive when it comes to institutional practices at the societal level.

Unlike previous studies that have found Spain to be high on uncertainty avoidance, the GLOBE results place Spain somewhat below average on this dimension. This implies that Spaniards do not feel a need for structure and order, nor do they desire clear rules and regulations to reduce ambiguity. Finally, Spain is below average on future orientation. This means that they do not like planning, nor do they value the delay of gratification. They are more focused on the short term—more immedidatist (Hickson & Pugh, 1995).

Below, we use the GLOBE findings to try to explain what we uncovered in our review of HRM practices in Spain. Our conclusions are also summarized in Table 1.

Low Future Orientation

A low future orientation most likely leads to what Aram and Walochik (1997) refer to as the improvisation style of Spanish managers. The authors interviewed nine managers who had worked in both Spanish and foreign companies and found that they all agreed that Spanish managers are passionate, intuitive, and nonmethodological. They observed that managers tend to reject planning in favor of spontaneous action, describing them as impatient and having a short time perspective. Pina e Cunha and Campos e Cunha (2003) made a similar observation based on their study of 80 Portuguese managers, commenting that they do not like to work in a planned way, tending to leave everything to the last minute. These tendencies could all be explained by a lack of future orientation.

One aspect that seems to be common across all of the different HRM functions is the lack of formal programs in lieu of more informal, flexible arrangements. Our review uncovered a lack of formal job descriptions and communication plans, as well as the use of informal methods for recruitment, selection, training, and career management. This, too, is likely due to the preference among Spaniards for spontaneity and improvisation stemming from their low level of future orientation.

We did find that Spain uses more testing for selection purposes than most countries. This is an interesting finding, because testing does not really fit the improvisational style of managing that Spaniards seem to prefer. A possible explanation may be that tests are used not so much by choice, but rather, by necessity. The high rate of unemployment in Spain at the end of the 1980s and beginning of the 1990s meant that organizations were often faced with hundreds of applicants for their job openings. They were forced to find a relatively cheap selection method to screen such a large number of applicants, and testing, in many cases, was the best choice.
However, after using tests to reduce the group of applicants to a more manageable number, most organizations would then turn to the more spontaneous face-to-face interview in making the final decision.

Also, although Spanish companies allocate a high degree of time to training, this training tends to be of a more reactive nature rather than being carefully planned. Once again, it tends to be informal rather than planned. Along the same line, career development programs may be less likely to be adopted by Spanish organizations because they require a good amount of planning. By their very nature, they are future oriented! Along the same line, the low future orientation that is characteristic of Spaniards might be influencing levels of participation and teamwork. After all, successful teamwork requires careful planning and coordination, and this goes against the preferred improvisation style of managing.

Low Institutional Collectivism

The managers interviewed by Aram and Walochik (1997) also noted that Spanish managers are individualistic and work poorly in groups. This may reflect the low institutional collectivism that GLOBE uncovered in Spain. Spaniards are collectivist when it comes to family, but are much less so when it comes to their colleagues at work. This could explain why participation and teamwork have not been very successful in Spain. Employees may simply be less interested in becoming involved with, or participating in, their organizations. A low level of institutional collectivism may also help us understand the compensation practices that our review highlighted. Most of the studies found that Spanish organizations are increasing their use of variable pay at the individual level. On the other hand, they found that Spanish organizations are much less likely to introduce group and organizational-level pay schemes. Finally, we mentioned that union membership in Spain is low. This, again, is clearly congruent with the Spaniards’ individualism at the institutional level.

Low Uncertainty Avoidance

Compensation practices in Spanish organizations can also be explained by the fact that Spain is low on uncertainty avoidance. Performance-contingent or variable pay is more likely to be accepted by individuals who can tolerate uncertainty. A number of the studies that we reviewed reported that Spanish organizations are moving toward the use of pay-for-performance compensation plans. Again, because of individualism at the institutional level, these plans are much more common for individuals and much less common for groups.

High Power Distance

Spanish organizations do not seem to be moving toward higher levels of teamwork, nor have they embraced employee involvement. The high power distance culture found in Spain is probably responsible for the low levels of participation that exist in Spanish firms. McFarlin and his colleagues (1992) suggested that Spanish managers might perceive increased participation as a threat to their power and status. They also questioned whether Spaniard employees had the abilities necessary for successful participation. The high power distance culture has led to a tradition of hierarchical structures in which everyone is expected to carry out the orders of their superior without question. This tradition has not, unfortunately, provided Spanish workers with the skills needed to successfully participate, such as decision-making or problem-solving skills.

<table>
<thead>
<tr>
<th>Spanish HRM practice</th>
<th>Cultural dimension</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of formal job descriptions and communication plans, informal methods for recruitment, selection, training, and career management.</td>
<td>Low future orientation.</td>
<td>Preference for improvisation and spontaneity.</td>
</tr>
<tr>
<td>Low levels of employee involvement and teamwork.</td>
<td>Low future orientation.</td>
<td>Improvisation style hinders required planning and coordination.</td>
</tr>
<tr>
<td>Low levels of employee involvement and teamwork.</td>
<td>Low institutional collectivism.</td>
<td>Employees neither motivated nor committed to become involved in their organization.</td>
</tr>
<tr>
<td>Low levels of employee involvement and teamwork.</td>
<td>High power distance.</td>
<td>Hierarchical structures contribute to lack of skills needed for participation and status differences hinder teamwork.</td>
</tr>
<tr>
<td>Little performance-contingent pay at group level, yet growing use of individual performance-contingent pay.</td>
<td>Low institutional collectivism.</td>
<td>Preference for individualized pay.</td>
</tr>
<tr>
<td>Little performance-contingent pay at group level, yet growing use of individual performance-contingent pay.</td>
<td>Low uncertainty avoidance.</td>
<td>Higher willingness to accept variable compensation.</td>
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</table>
Therefore, it is probably true that in many cases, employees are not capable of participating or, at the very least, do not feel ready to assume responsibility.

Likewise, high power distance may also explain, along with low institutional collectivism, why teams have not been widely adopted by Spanish companies. Status differences are often cited as obstacles to successful teamwork. Ortega and Cabrera (2002) reported that levels of employee participation in Spain were similar, even a bit higher, than participation levels in the rest of Europe in 1985. However, Spain now has one of the lowest levels of participation in Western Europe because, while organizations in the rest of Europe actively increased their participation programs during the 1990s, Spanish organizations did not.

**DISCUSSION**

Although there is no clear agreement as to what the “best” HRM practices are, there is a growing consensus that they include the following: employment guarantees, rigorous recruitment and selection procedures, extensive training and development, performance-contingent compensation, self-managed teams, and significant employee involvement (Becker & Huselid, 1998; Pfeffer, 1998). We reviewed the literature to try to determine whether or not Spain is moving toward the adoption of these practices. From what we have seen, we believe that culture may be hindering the full adoption of these “best” practices. Summarizing the evidence found in the empirical research, Spanish firms tend to select global HRM practices on a pick-and-choose basis.

Unfortunately, this approach often leads to a lack of internal consistency. Many organizations make partial adjustments to their HRM system by changing only a few practices. According to Milgrom and Roberts’s complementarities theory, these partial adjustments may lead to lower performance (Ichniowsky, Shaw, & Prennushi, 1997). Likewise, the strategic HRM literature emphasizes the importance of focusing on the entire HR system. For example, high-performance work systems typically include all of the previously mentioned “best” practices (Becker, Huselid, Pickus, & Spratt, 1997). Studies are needed to determine whether or not Spain is moving toward the adoption of these practices. Summarizing the evidence found in the empirical research, Spanish firms tend to select global HRM practices on a pick-and-choose basis.

Of course, culture is not the only factor influencing the use of global HRM practices. According to Sparrow and Hiltrop, “it is not always possible to tell whether differences in HR approaches are steeped in national cultural constraints or whether they represent different stages of the industrialization process” (1997: 209). For example, in 1997, Spain had around 2,000 organizations that employed more than 100 people, while there were over 300,000 that employed less than 100. Most small firms have less-developed HR functions with a lower level of professional and functional development and less pressure to adopt formalized management procedures, although there is a tendency for small Spanish firms to follow bigger multinational companies in adopting global personnel practices (Florez-Saborido et al., 1992). Having said this, the studies cited in our review all surveyed large Spanish organizations. Thus, our results represent what is being done in terms of managing human resources among the more developed, often international, Spanish organizations. So, it is safer to assume that these findings represent cultural constraints in the adoption of global HRM practices, rather than the fact that the organizations are in less-advanced stages of development.

One final point of interest is that a number of authors have pointed out how open Spain is to foreign influence. Ferner et al. (2001) conducted case study research on German multinations operating in Britain and Spain. Four of the six Spanish subsidiaries analyzed were in the chemical-pharmaceuticals sector, one in “leisure,” and one in metal products. When comparing Spanish and British subsidiaries of a particular German company, Ferner et al. found that “the Spanish subsidiary was much more likely to follow a model of HRM propagated from the center, and much less likely to challenge the center’s vision of HR policy, than was the case with its British counterpart” (2001: 121). They suggest that this openness is likely due to the fact that the development of the Spanish economy has been greatly influenced by foreign companies, and that business education in Spain is dominated by U.S.-style business schools. Quintanilla et al. (2004) made a similar observation after studying the HRM practices of seven Spanish subsidiaries of U.S. companies with more than 250 employees covering a wide array of sectors ranging from process- to service-oriented firms. They concluded that two key features of the Spanish business system are its malleability and its receptiveness to the adoption of U.S. HRM policies.

Given this openness to foreign influence, it is even more surprising that Spanish organizations have not adopted more global HRM practices, unless, again, there are cultural constraints that have prevented Spanish organizations from successfully adopting these practices. Quintanilla et al. (2004) found evidence supporting the idea that certain cultural aspects impede the adoption of some “American-style” practices. They concluded that there is a balance, governed by cultural issues, between malleability in the Spanish system and a reluctance to mechanically adopt certain forms of the American management style.

**CONCLUSION**

There is evidence that Spain is slowly adopting global HRM practices (Filella, 1992; Valle et al., 2001). However, in most cases, the adoption of these practices has been on a pick-and-choose basis. We have conducted a thorough review of the re-
search on HRM practices in Spain in an attempt to describe the current situation of HRM in Spain, as well as to identify the global HRM practices that are being adopted by organizations in Spain. Our findings corroborate previous observations that Spanish companies are adopting some global practices, while there are other practices that they do not seem to be implementing (Bayo-Moriones & Merino-Díaz de Cerio, 2001).

We have examined the findings in the literature in light of the Spanish culture in order to identify why some practices may not work in Spain. We believe that two of the largest cultural barriers to the adoption of global “best” practices in Spanish organizations may be the Spanish preference for an improvisational style of managing, stemming from a low future orientation, and the combination of high power distance and low institutional collectivism. The first of these hinders the adoption of formal practices. So, although Spanish organizations may dedicate a good amount of time to training, these training programs will often not be based on thorough needs analyses, and they may continue to be of a more reactive nature. Likewise, it may be quite difficult to design career management programs, because these programs require detailed attention to future-oriented planning.

The second cultural barrier will probably keep Spanish organizations from implementing employee involvement to the extent that companies in other countries are doing. Teamwork, employee participation programs, and group- or organization-level compensation plans may not have the positive benefits in Spain that they have in other cultures. It is possible that the increasing use of employee financial participation plans may lead to higher levels of commitment, which would, in turn, favor worker participation. However, in order to obtain all of the advantages associated with these global HRM practices, internal consistency is key. Increased levels of pay-for-performance and participation should be accompanied by carefully planned performance appraisal systems and formalized training programs that allow employees to develop the needed skills.

Are Spanish organizations adopting more global HRM practices? Yes, they are. However, there are a number of “best” practices that have not been embraced by Spanish organizations. Why? We believe there are cultural constraints that may continue to lead to a partial adoption of the global HRM practices that best fit the Spanish culture or, rather, an adaptation of these practices to the Spanish way of life. What remains to be seen are the effects that this partial adoption of practices might have on internal consistency and, consequently, on firm performance.

NOTES

1. Recently, FORCEM has merged to form a new independent organization, Fundación Tripartita para la Formación en el Empleo, managed jointly by the public administration, entrepreneurial agents, and union members, and having objectives similar to those of FORCEM.

2. An introduction to project GLOBE can be found in House, Javidan, Hanges, and Dorfman (2002) and Javidan and House (2002).

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