**XYZ Post script- Globalization wave**

James Lincoln, the founder of XYZ and long- time CEO had thought that “XYZ management system would be successful anywhere in the English speaking world”. Post deregulation in late 70’s as XYZ faced increasing competition in home market from MNCs like ESAB, it also tried to expand globally. It set up its factories in Brazil, Germany and other European countries in first phase and tried to implement same management systems including their famed incentive system. They also assigned this expansion initiative to highly driven internal managerial talent. However to their horror these ventures failed badly one after the other. In Brazil, as they were not aware of the compensation rules, the variable compensation was disallowed and whatever was paid once became fixed part of one’s salary. In Germany the work culture was very distinct. The unions were far stronger backed up by the governments and institutional/ legal framework in the country; they were also more rigid and less keen to always agree to management requirements. The incentive system and other HR practices were not really attractive to them.

Based on this experience, in mid--90’s management became wiser and started adapting the management system suited to local requirements and also started Hiring laterally and local managers. It started tasting success. They have successfully running operations in India and China as well today.