LOCALIZATION OF MULTINATIONAL FIRMS, TERRITORIAL ATTRACTIVITY AND INTERCULTURAL MANAGEMENT IN THE EURO-MEDITERRANEAN AREA

Lect. Soufyane Frimousse
IAE of Corsica, IDIM-University of Corsica,
Lect. Christophe Storaï
Director of the IUT of Corsica
IDIM- University of Corsica,

Abstract: The global economy has established new game rules with regard to both the strategies of multinational companies (MNC) and the competition exerted between the territories competing for the localization of companies. The internationalization of firms is not a new phenomenon and the explanations of this process are legion. In fact, the novelty of certain works lies in the interest taken regarding the effectiveness of the various approaches which make it possible to increase the efficiency of a firm's localization strategies. From this point of view, the works of Hofstede, D' Iribarne and Hall are essential, being at the origin of the founding of intercultural management. These works shed light upon and allow one to interpret the cultural behaviors found in the management methods of numerous countries. Accordingly, this contribution will attempt to analyze the strategic impact of intercultural management on the binomial localization of MNC/ territorial appeal in light of the emergence of a Euro-Mediterranean area.

Key words: localization strategies of MNC, Euro-Mediterranean area, intercultural management, FDI.

Introduction

The global economy has established new game rules with regard to both the strategies of multinational companies (MNC) and the competition exerted between the territories competing for the localization of companies. Indeed, as long as a firm developed an activity in its area of origin, company/territory relations remained close. This close relationship has gradually distended, influenced by the liberalization policies of economic activities, the rise of new communication and information technology, and above all the explosion of foreign direct investment (FDI). Consequently, it appears essential to know how to support this evolution in order to benefit from it. Thus, the appeal of Mediterranean territories designed for their ability to attract local or foreign investment, to settle and thus anchor them in a program of sustainable development becomes a strategic requirement (Michalet, 1999a; Andreff, 1999; Nekka, 2001). Indeed, can a firm's choice to localize to a particular site be explained? How do companies consider the characteristics of the territory in which they are located? How can firms which are qualified by some as being 'nomadic' be attracted and more importantly become settled into a territory? (Zimmermann, 1998, Colletis and Alii

1996) Which are the determinants of territorial appeal for MNC?[35] The internationalization of firms is certainly not a new phenomenon and the explanations of this process are legion. In fact, the novelty of certain works lies in the interest taken regarding the effectiveness of the various approaches which makes it possible to increase the efficiency of the firm's localization strategies. From this point of view, the works of Hofstede, D' Iribarne and Hall are essential, being at the origin of the founding of intercultural management. These works shed light upon and allow one to interpret the cultural behaviors found in the management methods of numerous countries. Accordingly, this contribution will attempt to analyze the strategic impact of intercultural management on the binomial localization of the MNC/ territorial appeal in light of the emergence of a Euro-Mediterranean area.

1. Globalization, regionalization and the new strategic logic of the MNC

Globalization has generated specific forms of regionalization appreciably reducing the analytical range of the traditional theoretical approaches relating to the analysis of regional economic integration.[36] Indeed, the potential opening up of the European Union to new partners, in particular Mediterranean third countries constitutes the prototype of a regionalization which disregards the economic and institutional homogeneity of the future Member States.[37] It is also necessary to underline a growing tendency towards regional integration which results less from an institutional process or intergovernmental political agreements than from the catalytic role of MNC. From this point of view, the European Union has affirmed its will to build a Euro-Mediterranean area of economic and political stability. The issue of regionalism is to create what Kébabdjian (1998) called the '*announcement effect'* towards investors; all the more so as the primary objective of regional integration agreements are generally to reassure the potential investors of the adoption of conventional economic policies.

In the context of a global economy a MNC is able to localize its activities where it is most advantageous (Andreff, 1999). Under these conditions, the interactions between companies and territories evolve, according to an increasingly complex logic.[38] Foreign investment thus corresponds to the meeting between a MNC (with a project) and a territory (having assets and weaknesses). *"Simultaneously, the nation-states of the international economy lose the majesty that the concept of national sovereignty lent them and become simple economic territories, the utility platforms of globalization."* (Michalet, 1999b, p.387). Thus, for approximately fifteen years, nations have entered into keen competition concerning the attraction of MNC. A veritable escalation has

---

[35] That we will qualify as multinational companies.

[36] In these pioneering approaches, dear to J. Viner and B. Balassa, it is necessary to specify that the concept of economic integration, starting from the creation of free trade areas followed by customs unions, is exclusively centred on the intensification of the exchange flows of goods and services induced by the suppression of customs duties between the partners to the agreements.
The theory of the customs unions is within the paradigmatic framework of the *international economy*, which excludes from its analytical field the dimension specific to new forms of regional integration centred on flows of direct investment and capital just as on the internalised networks of MNC's subsidiary companies (Storaï, 2002).

[37] The latter constitutes one of the cardinal hypotheses of the theory of customs unions.

[38] "Firms invest in areas which are increasingly remote and different from their original environment, following their own strategies which have few links with the territories concerned." (Gouëset, 1999, p.23).

resulted due to the institutional, tax, and financial advantages granted to foreign investors (Andreff, 1999). Henceforth, the strategic localization choices of MNC dictate for the most part any positive or negative effects on a given territory.[39] In the current configuration of the economy, the increase in inter-firm competition has led to MNC having a new strategic logic. MNC adopt global strategies and arbitrate between localizations in several territories. Consequently, the interactions between the binomial elements MNC/host-territory cannot be explained without taking account the strategies established by these same firms.
The principal objective of the following paragraphs is to address this aphorism from a theoretical point of view. The analysis will attempt to show how firms adapt to a new global environment, and in which way they are shaping it.

1.1. The dynamics of MNC

Globalization has established new game rules, both for the investment strategies of MNC and for the acute competition exerted between the territories which are potentially appealing for the setting up of companies. Since the middle of the 1990s, liberalization policies concerning generalized economic activities in a great majority of the countries, independent of their level of development, the rise of market mechanisms and private initiatives concerning state interventions and public companies have profoundly reorganized the attitude of governmental authorities with regard to foreign investment.

A logic focusing on attracting FDI has largely replaced the official restriction-regulation policies concerning the setting up of foreign firms (Andreff, 1999). Henceforth MNC strategic localization choices precede the realization of the macroeconomic repercussions inherent in foreign investment in a host territory. In exacerbating competition between firms, globalization has also generated a new behavioral logic among the actors involved in this new economic dynamic. MNC directly develop world-wide strategies[40] and arbitrate between localizations in several potential territories. In other words, the inter-territorial competition implies that the appeal of a geographical area cannot be conceived without taking into account the finalities of the companies' setting up abroad. In the logic of globalization, the dialectic of appeal inevitably relies on an interaction between micro and macroeconomic interests therefore it is essential that convergence enters into a firm's strategies and into governmental economic policies.

Traditionally, economic analysis retains a trilogy specific to the strategic behaviors of companies concerning FDI:
- a *primary* strategy or access to natural resources from the ground and below ground; - a *horizontal* strategy or market; - a *vertical* strategy or cost minimization. It is not in our intention to look further into the formal distinction between these three finalities of

---

[39] *"It seems inescapable in globalisation that the firm's logic takes precedence over that of the nation-state's (...) With globalisation, the role of firms means territories compete against each other in their search for maximum competitiveness, whereas in multi-nationalisation, it was the role of governments and their administrations to select the "good" investment projects proposed by firms, according to their medium- to long-term priorities."* (Michalet, 1999b, p.387 and p.391).

[40] They are qualified as "*global multinationals*" (Andreff, 1996).

investment decisions,[41] but precisely to clarify the firm's localization choices within the framework of the global economy. This conventional triptych between the firm's behavioral alternatives with regard to FDI was undoubtedly confirmed by reality up until the middle of the 1980s; however, the stylized facts applicable to globalization make this prototype if not null and void at least non-systematic. Indeed, according to a survey carried out in 1997 by the Foreign Investment Advisory Service (FIAS)[42] relating to FDI in ASEAN countries , the CECE (Countries of Eastern and Central Europe) as well as those of the PPM (countries on the circumference of the Mediterranean Sea), it seems that firms basically follow transversal strategies which combine, in an alternative or simultaneous fashion, the search for profitable supply sources along with the advantages of a dynamic large-scale market and the minimization of production costs.[43]

In the global economy, MNC are simultaneously more selective in localization choices with regards to their financial, commercial or productive activities, and more credible in their ability to de-territorialize their investments and establishments. The increased flexibility of the potential processes of delocalization/ delocalization of activities thus appreciably reorganizes the analysis of the interactions between the elements of the binomial MNC/ host territories.

1.2. Territorial appeal: a paramount concept

The multinational economy saw a rupture with the traditional theoretical bases of international specialization, in particular in relation to factorial endowment. However, the global economy rehabilitates a typically *smithian* concept regarding international exchange: that of the absolute advantage. Companies in search of localization initially evaluate potential host areas, then only the sites likely to offer a certain number of localization advantages. These act in either a direct or indirect manner on the competitiveness of the firm. Indeed, the development of new activities relies on using new technologies and the continued integration of innovations, factors which weigh heavily on the companies' productive systems. Thus, with globalization, firms are forced through need to be evermore competitive. *"One is witnessing a displacement of the field of competition which is henceforth based on quality, deadlines, the differentiation of products, service associated with the product (...) the position of a company is never assured."* (Veltz, 1996, p.34). The reactivity of a company thus becomes a formidable weapon with which to compete. Cost control is always an imperative. Nevertheless, a company considers new factors when choosing

---

[41] Numerous publications which are easily accessible have been devoted to this end. Cf. for example, Michalet (1998), Mucchielli (1998), Markusen (1995).

[42] Cf. Michalet (1997), the FIAS it is a joint department of the World Bank and International Finance Corporation which undertook a study concerning the flow of FDI carried out by approximately one hundred North-American, Japanese and European multinationals involved in several branches of industry (chemistry, electronics, electric material, telecommunications, textile-clothes industry, automotive engineering, hotel trade.).

[43] As Andreff specifies: "Global strategies, which appeared in certain MNC about fifteen years ago, have several characteristics, the first of them being precisely that MNC systematically exploit three strategies, according (…) to their own microeconomic constraints (…) the state of the national and world markets, and the advantageous localisations which are presented to it, if not continually, at least when each strategic decision is being made. " (Andreff, 1999, p. 402).

the sites on which to set up its activities. The company seeks a specific offer: *the advantage of localization.*

This can be expressed in terms of the qualifications held by the labour force, the technological environment, the local know-how. Consequently, the territory becomes a parade ground of economic activity (Veltz, 1997). All in all, the efficiency and the performance of a firm are closely related to the organization of the territory. The dynamics of the territory are related to its ability to mount a counterbalance in the face of the increasing incertitude of globalized competition (Veltz, 1996). The more the supply of territories is consistent with the demands of firms, the more strongly rooted the firm will be. The dialectical competitiveness of companies/ territories' appeal lies in a dynamic vision of this postulate. Thus, the process of internationalization and the dynamics of the territories are closely linked. They constitute two phenomena of the same process leading to a kind of territorial adjustment (Kherdjemil, 1999). Henceforth, the intensification of competition does not only concern the firm; it extends to the competition between the territories.

As a result, any geographical area eager to attract MNC must work its localization advantages. Territorial appeal is thus a new imperative for the economic policies of those states who aim to satisfy the requirements of potential investors.[44] *"More fundamentally, the localization advantages offered by a territory will be confirmed only insofar as they can contribute to the strengthening of the firm's competitiveness."* (Michalet, 2001, p.392). Nevertheless, the dynamics of appeal are designed gradually. Initially it is a matter of improving the companies' environmental quality (this phase corresponds to the construction of the prerequisites for any investment growth strategy). The second stage consists in addressing the priorities expressed by the investors.

1.2.1 The construction of territorial appeal

In the era of globalization, the concept of territorial competitiveness has acquired great importance in particular with regard to development policies. The role of the territory is to provide companies with competitive factors (capital, work), apt to receive and master new technologies and new managerial organizations. It represents an essential link *"in the process of knowledge construction, interpretative codes, co-operation and decision-making models upon which companies' innovations are based."* (Camagni, 2002, p.554). While referring to work of Colletis and alii (1996), Camagni (2002) affirms that a competitive territory is one that has a dynamic local advantage.

The availability of traditional factors such as labour and capital has an increasingly weak role. Firms seek an efficient territorial organization prepared to act as a counterbalance in the face of the increasing incertitude of globalized competition. It involves a powerful local industrial fabric where the use of new technologies is mastered and where relations between the various economic agents are rapidly established. Thus, the territories in which the fabric of production, the quality of human

[44] Note that considering the multidimensional character of globalisation, the implementation of a policy of territorial appeal should be uniform regardless of the investor's nationality: discrimination between local and foreign firms becomes unimportant in the context of the global economy.

capital and the environment are failing are exposed to marginalization.[45] In this context, it is in the interest of the institutional and political powers to favor the creation of specific resources.

The appeal of a nation (or an area) fundamentally relates to a territories' ability (national or regional) to attract and to settle foreign and local investment. To be retained as a potential place of localization, the territory must first satisfy macroeconomic pre-conditions allowing the investor to evaluate the profitability of the localization project and to compare it with alternatives in other possible localizations. In other words, a targeted group of variables must be considered for the *general business environment* to be analyzed. Among the information required, that relating to the sustainability of a stable economic and political regime, as well as information specifying the conditions of the investment climate seems to be the most highly valued.[46] Once the prior conditions are established, the territory will then endeavor to promote the existence of the factors likely to render credible the territories' appeal. The likelihood of the main parameters of the territories' appeal will indicate its ability to appear on the investors' "short list," to use A.C. Michalet's expression.

1.2.2 The components of appeal

It is possible to identify several dimensions essential to territorial appeal which reflect the core priorities of potential investors in view of a sustainable implantation. Firstly, the advantage of localization relative to the market size and its prospects for anticipated growth is of major importance for firms. The report of the primacy of the market, put forward by the aforementioned FIAS investigation, gives rise to some additional comments. Indeed, globalization has generated a conceptual framework inherent to the market which is quite different to the commercial analytical configuration typical of the paradigm of *the multinational economy*. Global firms design strategies not in reference to multi-domestic markets, but rather to a commercial zone which is integrated into a process of regionalization.[47]

The strong appeal of certain ASEAN countries (Thailand and Malaysia), confirming the transverse strategic logic of global FDI, is perfectly characteristic of this new conceptual tendency of production organization and exchanges in globalization. The optimization of delocalized production is envisaged in an enlarged geographical area with a view to benefit from the various national potentials in terms of supply

[45] "The current phase of development, where the crucial factors are the knowledge factors and the immaterial factors related to the creativity and the ability to innovatively use the existing stock of technology and codified knowledge, requires heavy investment in tacit knowledge (…). In short, it requires rare factors, which do not necessarily exist everywhere (…)" (Camagni, 2002, p.571).

[46] However, these considerations are far from being exhaustive, as Michalet specifies: "they (investors) privilege the countries which follow a liberal economic policy, favourable to the market economy and open to the exterior because they fear the discretionary decisions made by governments and their administrations. The existence of programs of privatization constitutes a positive sign, not only because they open investment opportunities, but also because they clearly express a favourable political orientation to private initiative. " (Michalet, 1999b, pp.392-393).

[47] Regionalisation regroups nation-states in political or economic sets which are more or less federate. More precisely, "regional integration binds countries which are geographically close and between which the economic relations tend to be free of the political borders so as to support the formation of integrated markets" (Siroën, 2004, p.3).

(costs) and demand (Fabry, Maximin, 1997). Secondly, with regard to the increasing degree of sophisticated technology incorporated into the production processes of multinational firms, the availability of qualified labour in association with the existence of a powerful local industrial fabric constitute another fundamental determinant when looking at a host-territories' appeal for FDI. It is precisely the quality of human capital (a good level of experience and initial training of engineers, management and other high-level technicians) which gives an undeniable comparative advantage to the CECE concerning the appeal to foreign investors (Andreff, 1997; Drouet, 1999).[48] Lastly, from the point of view of increased specificities of the global organization of firms, the efficiency of informational and communication network infrastructures (telecommunications and transport systems) is of critical importance. The internalized space of the firm relies on a "just in time" circulation of capital, information, products and labour between subsidiary companies established in many diverse nations. This dimension of MNC management is all the more fundamental, since at the end of the 1990s, the share of intra-firm international exchanges in global trade bordered on 40% (UNO, 1999). All told, a territories' appeal supports the *diamond* idea of national advantage according to Porter (Porter, 1990, p.72). It is clear that FDI's ability to polarize a given geographical area is largely dependent on its propensity to satisfy the various aspects of the firms' global strategy (ibid, pp.607-613). Nonetheless, the dynamics of a nation's appeal are not a *deus ex machina*; dynamics are progressive and are created through public policies promoting foreign investment (Storaï, 2002). The construction and/or the valorization of localization advantages rely on four essential parameters: services allocated to the investors, the targeted promotion of these investors, the system of financial incentives and the image of the territory (Michalet, 1999a). Our approach is not to give an exhaustive explanation of these essential domains of activity[49] but rather to take a global view.

2. Development of MNC and the Euro-Mediterranean area: from the universal to the private individual

Two great theoretical approaches propose alternatives in order to challenge the phenomenon of internationalization. The first, the oldest, was called the theory of convergence. Of American origin, this theory calls for the harmonization of companies' practices through to the application of universal management models. This theory claimed to solve the Third World's difficulties by modernizing the "traditional" cultures which distinguished it. With the crisis during the Seventies, this model was gradually called into question. A second approach thus appeared, known as the contingency approach. Contrary to the convergence theory, it proposes that firms develop specific practices adapted to local specificities starting from a common base of universal techniques. In other words, this analysis recommends the famous maxim "Think global, act local". Thus, the idea of adhering to the "*one best way*" concept in regards to management gradually ran out of steam (Trompenaars, Hampden-Turner, 2001; Rojot,

[48] Obviously, globalisation has not condemned the existence of many intensive productive sectors using little qualified labour (shoes, toys…). However the *eclectic* theory, dear to Dunning, teaches us that delocalisations are carried out in the form of licence sales and/or subcontracting agreements (Dunning, 1988).
[49] The reader interested in an exhaustive development of the promotional techniques of foreign investment may refer to works of Michalet, cf. (Michalet, 1999a).

2003; Frimousse, Peretti, 2004), hence the comprehension of the cultural characteristics of countries becomes a necessity (Bosche, 1987; D' Iribarne, 1987).

According to Hofstede, culture "is in essence a collective mental programming; it is this part of our conditioning which we share with the other members of our nation, but also of our area, our group, and not with those of other nations, other areas or other groups" (Hofstede, 1987, p.10). Within the framework of the Euro-Mediterranean area, two cultural blocks dominate, one being on the northern shore and the other on the southern shore of the Mediterranean Sea. In view of the internationalization of firms, this cultural diversity calls for a specific style of management.

2.1 MNC and the management of Euro-Mediterranean diversity: the essential acquisition of intercultural competences.

If national cultures influence individuals' perceptions, this must be taken into account within framework of the internationalization of firms and adequate modes of management must therefore be adopted[50] (Aktouf, 1994; Meier, 2002). This ability to understand and to then adapt to the specificities of a situation of intercultural interaction is set out in the concept of intercultural competence (Hofstede, 1994; Trompenaars, Hampden-Turner, 2001; Bartel-Radic, 2003). The discovery of cultural differences is fundamental for firms with regard to at least three dimensions: the market, the organization of work and the decision-making processes (Desjeux, 1998; Precede, 2001). The challenge is to analyze the differences so that the company may benefit from them. Accordingly, Hofstede's approach (1987) remains the most quoted reference in this field. Indeed, more than twenty years ago Hofstede published pioneering research concerning 54 countries. He looked at the values and attitudes in workplaces starting from four universal dimensions: the hierarchical distance, the control of uncertainty, individualism and male/female values. The hierarchical distance corresponds to the degree of inequality expected and accepted by the individuals. This dimension is measured by the way the subordinate perceives the power of his/her superior. In countries where the hierarchical distance is short, the company is organized according to a flattened pyramidal organization; the reverse occurs if this distance is elevated.

As for the control of uncertainty, it relates to the way in which the members of a society approach risk. This cultural dimension measures the degree of tolerance which a culture accepts in relation to the concern caused by future events. As for individualism and the community, these concepts refer to the degree of independence and freedom that the members of a society may assert.

Thus, community-based societies value the time spent for the benefit of the group. On the contrary, individualistic societies value time spent by individuals for their own personal benefit. These dimensions have repercussions on the companies' activity. Indeed, in community-based countries relations between employers and employees have a moral basis, whereas in individualistic cultures they are based on personal calculation. Lastly, the distribution of roles between genders does not occur in the same way in all societies (Bollinger, Hofstede, 1987; Precede, 2001).

---

[50] In this respect, the works of Benraiss and Peretti (2002) are the perfect illustration. Indeed, they compare Moroccan and French executives, looking at their perception of equity. The cultural factors are crucial since the French and Moroccan executives establish their own criteria and personal characteristics to judge their remunerations.

From these universal dimensions, Hofstede looked at companies through three angles of analyses: direction, organization and motivation. The dominant dimensions with regard to direction are individualism and hierarchical distance. Thus, in an individualistic society, such as the United States, subordinates are authorized to take part in the direction's decisions (short hierarchical distance). On the contrary, in the countries where the hierarchical distance is greater, as in many Third World countries, subordinates refuse to become involved in the decision-making process as it is not their role. In a collectivist society the group can influence the leader. As for the structure of the organizations, the essential dimensions of a culture are the hierarchical distance and the control of uncertainty. According to Hofstede, the French organizational model can be represented by a human pyramid (elevated hierarchical distance and substantial control of uncertainty).

In Germany, the model is like that of a well oiled machine (substantial control of uncertainty but shorter hierarchical distance). In England, the model is like a village market (short hierarchical distance and weak control of uncertainty). In general, Third World countries have a familial organizational model (great hierarchical distance and weak control of uncertainty). Lastly are the theories of motivation, which are related to the individualism/ collectivism dimension. In individualistic societies, motivation is dictated by one's own obligations to oneself. On the other hand, in a more collective society motivation arises from the obligations towards the group. The control of uncertainty and the masculinity/femininity dimension also influence motivation (risk-taking is encouraged in certain societies whereas others advocate security). Peretti (2004) and Zghal (2004) discuss Hofstede's approach by stressing that culture is in perpetual construction, that the national dimension is often overestimated. Indeed, culture is regional and local and constitutes only one element of the contextual dimension.

2.2 Internationalization of firms and the Euro-Mediterranean management model: beyond culture, the contextual dimension.

Several models of management have followed on from one another. The mechanistic model corresponded to a combination of means to ensure the optimal development of a firm. The principles are universal and identical in all companies. This model was characterized by a division of labour, a coordination of tasks and the exercise of authority. The mechanistic model was appropriate for a stable environment. Following the organic model, the company endeavors to be flexible and decentralized in order to respond to environmental fluctuations which become unstable. The "robot" employee becomes an intelligent and motivated "associate" and authority is replaced by participation and reasoned responsibility. The mechanistic and organic models seek to be universal however globalization has given rise to a descriptive approach searching for innovative management models appropriate to various contexts (Orsoni, 2003).

Indeed, all societies are based upon an important edifice of local representations. Consequently, these local representations are to be considered in the running and the management of a company (D' Iribarne, 2000; 2003). Within the framework of the Euro-Mediterranean area, contextual diversity means that the management of an internationalization strategy becomes increasingly complex. In order to manage this contextual diversity two major approaches exist: the contingent approach which presents a powerful link between the context and the management method and the convergent approach, where the context has only minimal influence on the methods of governorship (Chevrier, 1996). According to the convergence theory, contextual differences exist but the practices can be standardized using a unifying project culture (Levitt, 1983). Usunier and Sissmann (1986) qualify this strategic approach as the “steam roller”.

The universalist management approach affirms that the business world is controlled by similar interests on both sides of the border. Some practices known as “good practices” significantly affect the performance of the company independently of the context. Consequently, the various countries’ management methods and the forms of organization converge. However, this vision is increasingly called into question (Laurent, 1997; Schneider and all, 2003). Indeed, the precursors of the contingent analysis, among who are Lawrence and Lorsch (1969), affirm that the desire to export practices which are considered to be universal without taking cultural identities into account of is a cause of failure. Chanlat (2004) and Dolan (2000) affirm that the Anglo-Saxon management model which currently dominates in the business world, is economically effective but that it is also a cause of social toxicology (unemployment, exclusion…). As opposed to the convergent approach, the contingent approach affirms that international and trans-national projects raise technical and financial difficulties, but above all they cause cultural complexities which a company can not afford to neglect.

Each company must identify the challenges of both its external environment and its internal characteristics. The analysis of the latter enables the company to develop suitable work policies and effective practices. Huault and Charrière (2002) underline the non-existence of a single organizational form which ensures the performance all companies. The contingent approach thus seeks to identify the contextual characteristics and the variables which influence them, so as to take them into account in managerial practices (Sheppeck and alii, 2000; Tregaskis and alii, 2001). In the Euro-Mediterranean area, many demographic, economic and cultural characteristics underline a very different context for companies. The contingent approach thus seems to exclude the duplication of imported models. Indeed, given the divergence of local realities between the Mediterranean’s northern and southern shores, good European practices would not be as effective in the territories on the Mediterranean’s southern shore. Nowadays however, this restrictive view is somewhat limited since in all countries, the most powerful companies are based on universal practices. Consequently, the logic of contingency is not incompatible with that of convergence.

Moreover, the technological changes, the international economic environment and demographics are just as much contingency factors which tend to converge (Frimousse, Peretti 2004). This rapprochement of contexts supports the convergence of managerial practices. Indeed, as long as firms are confronted with the same competing pressures, they choose similar practices (Gooderham, Brewster, 2003). Moreover, with the volatility of firms and communication and information systems, the practices are propagated from one country to another favoring their homogenization (Peg wood-O' Creevy, 2003). Thus, even if the companies are subjected to certain universal fundamental obligations (commitment to quality…), the interpretation and the local methods used to express these aspects generally remain specific (Premium, 2001; Peretti, 2002). Precede and Usunier (2003) underline the need to integrate the unique and the local with the common and the global. Tregaskis and all (2001) use the term “global/local mix”.

Conclusion

The rise of MNC, major actors in globalization, results in the implementation of intense and multiform exchange networks, beyond increasingly porous national borders, between various regionally integrated areas of economic activity (Hatem, 2004). The ability of these areas to attract firms' investment projects – firms which are themselves selective in the search for the most favorable localizations - constitutes a capital development issue. In the context of the emergence of the Euro-Mediterranean area, issues relating to the conception of a suitable, intercultural management model which takes into account the cultural, historical and geographical identities of this area under construction are a matter of major interest. As a result, the appeal of Euro-Mediterranean territories designed for their ability to attract, settle and anchor local or foreign investment in sustainable development programs becomes a strategic requirement in order to favorably meet the future challenges of the global economy.

References

1. Aktouf O. *Le management entre tradition et renouvellement*, éd : gaëtan morin, 1994.
2. Andreff W. Les firmes multinationales et les pays associés à l'Union européenne in D.GUERRAOUI, RICHET X., eds, *Les investissements directs étrangers: facteurs d'attractivité et de localization*, L'Harmattan, Les Editions Toubkal, Casablanca, 1997.
3. Andreff W. Peut-on empêcher la surenchère des politiques d'attractivité à l'égard des multinationales ? in Bouët A. et Le Cacheux J., *Globalization et politiques économiques* : *Les marges de manœuvre.* Economica, 1999.
4. Bartel-Radic A. Le véritable voyage de découverte…la dynamique des apprentissages interculturels dans un groupe international. , 12ième conférence de l'Association Internationale de Management Stratégique. Tunis, 1994..
5. Benraïss L., Peretti J.M. Déterminants de l'équité salariale chez les cadres marocains et français. , in :*Relations Euro-méditerranéennes* : *Audit Social et mise à niveau des entreprises et des institutions*, 4ème Université de printemps de l'IAS , 2002.
6. Bollinger D., Hofstede G. *Les différences culturelles dans le management*, Les éditions d'organisation, 1987.
7. Bosche M. Corée-France : au delà du langage international des affaires , *Revue française de gestion*, septembre-octobre, n° 64, 1987.
8. Camagni R. Compétitivité territoriale, milieux locaux et apprentissage collectif : une contre réflexion critique. , *Revue d'économie urbaine et régionale*, n°4, 2002.
9. Chanlat J.F. Management et culture : quels modèles ? , *Symposium Euromed Marseille Ecole de*

Management et AGRH, Marseille, 2004.

10. Chevrier S. Le management de projets interculturels : entre le rêve du melting pot et le cauchemar de la Tour de Babel. , *Ecole de Paris du management*, www.ecole.org, 1996.

11. Colletis G., A. Firmes et territoires : entre nomadisme et ancrage. , *Revue Espaces et sociétés* n° spécial. , 1996.

12. D'Iribarne P. Ce qui est universel et ce qui ne l'est pas , *Revue française de gestion*, septembre- octobre, n° 64, 1987.

13. D'Iribarne P. Management et cultures politique , *Revue française de gestion*, mars-avril-mai, n° 128, 2000.

14. D'Iribarne P. Management et cultures , in : *L'encyclopédie des ressources humaines*, Vuibert, 2003.

15. Desjeux D. L'interculturel entre réalité et imaginaire , *Les cahiers de l'ENSPTT*, septembre, 1998.

16. Dolan S.L., Martin I. *Los diez mandamientos para la direccion de persones*, Gestion 2000. Barcelona, 2000.

17. Drouet M. Les pays d'Europe centrale et orientale face aux IDE: attractivité, enjeux in GOUËSET V, eds, *Investissements étrangers et milieu local,* PUR, Rennes, 1999.

18. Dunning J.H. *Explaining international Production*, Unwin Hyman, 1988.

19. Fabry N., Maximin B. Les déterminants macro-économiques des IDE en Asie du Sud-Est: le cas du Japon et des Etats-Unis. in D. GUERRAOUI ET RICHET X., eds, *Les investissements directs étrangers: facteurs d'attractivité et de localisation*, L'Harmattan, Les Editions Toubkal, Casablanca, 1997.

20. Fenton-O'Creevy M. The diffusion of HR practices within the multinational firm : toward a research agenda , *Scandinavian Journal of Business Research*, vol.17, n°1, 2003.

21. Frimousse S., Peretti J.M. Audit social, apprentissage stratégique des pratiques de GRH et responsabilité sociale: vers une convergence euro- méditerranéenne? *Actes de la 22ième Université d'été des Auditeurs Sociaux*, IAS Luxembourg, 2004.

22. Gooderham P.N., C. Brewster. Convergence, Stasis or divergence ? Personnel Management in Europe , *Scandinavian Journal of Business Research*, vol.17, n°1, 2003.

23. Gouëset V. *Investissement étrangers et milieu local*, Presse Universitaire de Rennes, 1999.

24. Hatem F. *Investissement International et Politiques d'Attractivité,* Paris, Economica, 2004.

25. Hofstede G. Relativité culturelle des pratiques et théories de l'organisation , *Revue française de gestion*, septembre-octobre, n° 64, 1987.

26.	Hofstede G.	*Vivre dans un monde multiculturel*: *comprendre nos programmations mentales,* Les Editions d'Organisation, 1994.
27.	Huault I. C.	*Les grands auteurs en management*, les éditions EMS Management et Société. Paris, 2002.
28.	Kébabdjian G.	Régionalisation de l'économie mondiale et espace méditerranéen in : Bellon B. et R. Gouia, *Investissements directs étrangers et développement industriel méditerranéen,* Economica, 1998.
29.	Kherdjemil B.	Territoires, Mondialisation et re-développement , *Revue d'économie urbaine et régionale*, n°2, 1999.
30.	Laurent A.	Réinventer le management au carrefour des cultures *,* *L'art du management*, Village mondial, 1987.
31.	Lawrence P., Lorsch J.W.	*Organizational and Environment*, Harvard Business School, 1969.
32.	Levitt T.	*The globalization of markets*, Harvard Business Review, 1983.
33.	Markusen J.R.	The Boundaries of multinational enterprises and the theory of international trade , *Journal of Economic Prospective*, Spring, 1995.
34.	Meier O.	Gestion et valorisation des différences culturelles dans le cas de fusions acquisitions , *Revue de Gestion des Ressources Humaines*, 2002.
35.	Michalet C.A.	*La Séduction des Nations ou comment attirer les investissements*, Economica, Paris, 1999b.
36.	Michalet C.A.	Configurations de la mondialisation, configurations du pouvoir , *Revue économies et sociétés*, n°36, 2001.
37.	Michalet C.A.	Un nouvel impératif de la politique industrielle dans la globalisation: l'attractivité in : A. BOUËT et C. LE CACHEUX, eds, *Globalisation et politiques économiques*: *les marges de manœuvre*, Economica, Paris, 1999a.
38.	Michalet C.A.	*Le capitalisme mondial*, PUF, Quadrige, 1998.
39.	Michalet C.A.	*Strategies of multinationals and competition for foreign direct investment,* Foreign Investments Advisory Service, occasional paper 10, IFC and World Bank, 1997.
40.	Mucchielli J.L.	*Multinationales et Mondialisation*, Seuil, 1998.
41.	Nekka H.	Le secteur de l'hôtellerie : performance organisationnelle et dynamique territoriale , *Revue Sciences de Gestion*, n° 31, 2001.
42.	Orsoni J.	Management global ou management méditerranéen ? , in : Orsoni J., *Les châtaigniers de Tartavellu*, Albiana, 2003.
43.	Peretti J.M.	Convergences et contingences en GRH , *Symposium Euromed Marseille Ecole de Management et AGRH*, Marseille, 2004.
44.	Pirus M. O.,	RH, Management et diversité culturelle : quelles

	Bouvier., C.	approches scientifiques font autorité depuis une vingtaine d'année ? , in : *La mobilité internationale* : *le management interculturel, de quoi parle-t-on* ?, Cahier ANDCP n° 67, 2003.
45.	Porter M.	*The Competitive Advantage of Nations,* Macmillan, Londres, 1990.
46.	Prime N., Usunier, J.C.	*Marketing international : développement des marchés et management interculturel*. Vuibert, 2003.
47.	Siroën J.M.	*La régionalisation de l'économie mondiale*, La Découverte, Paris, 2004.
48.	Storaï C.	Firmes multinationales, localisation de la production et attractivité territoriale : une interaction complexe dans la globalisation , *Actes du CNR IUT, Le Creusot,* mai 2002.
49.	Théry B.	*Manager dans la diversité culturelle*, Editions d'Organisation, 2002.
50.	Usunier J.C., Sissmann P.	L'interculturel au service du marketing , *Harvard l'Expansion*, n°40, 1986.
51.	Veltz P.	*Mondialisation, villes et territoires. L'économie d'archipel,* Paris Puf, 1996.
52.	Veltz P.	Firmes et territoires à l'épreuve de la mondialisation *Revue Regards sur l'actualité ,* sept.oct , 1997.
53.	Zimmermann J.B.	Construction territoriale et dynamiques productives , in *Rapport final du Commissariat Général du Plan,* 1998.