

Changing Dimension of Human Resource Management in Globalised Era

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Abstract

This paper suggested the new dimensions of HR Role in globalised Era. Investments in human capital are not likely to be a high priority for companies whose very survival is threatened by the global downturn. Traditional Model of human resource management focuses on administrative functions: application processing, benefits, compensation benchmarking, dispute resolution, employee grievances, performance review, and rules compliance. It is the time to step back, understand the actual needs of the employees and the employers, strike a balance, redesign and innovate the New Roles of HR policies as per the need of company objective and market Environment. Global demonstrates how managers can effectively utilize HRM practices to enhance their firms' competitive response in an era when the opportunities and challenges facing business are international in nature. It covers the stages of international involvement, the challenges of expatriate job assignments, and the ways to make those assignments more effective. It also discusses the development of HRM policies in a global context and the specific HR concerns of exporting firms.

KEYWORDS: Human Resource, Management, Personnel Management, Orientation Programme, Training Programme, Global Safety & Health

Introduction:

Globally, HR executives are strategic partners with line managers and actively participate in top-level business decisions that bring human resource perspectives to the global management of a company. Basically, the role of the global human resource executive is focused on being a strategic business partner and decision maker. Any human resource initiative must be based on maximizing productivity to best benefit the bottom line, and, therefore, a solid understanding of the total global system is essential. Just as global business enterprises evolve, so do the human resources that support them. The global human resources role is, and should be, a natural extension of the positive orientation toward global human resource management and the recognition of the strategic role that must play.

I. The Stages of Globalization Involvement

Exporting--

Selling abroad, either directly or indirectly, by retaining foreign agents and distributors.

Licensing-

An arrangement whereby an organization grants a foreign firm the right to use intellectual properties such as patents, copyrights, manufacturing processes, or trade names for a specific period of time.

Franchising-

The parent company grants another firm the right to do business in a prescribed manner. Franchisees must follow stricter operational guidelines than do licensees. Licensing is usually limited to manufacturers, whereas franchising is popular with service firms such as restaurants and hotels.

Multinational Corporation (MNC)-

A firm that is based in one country (the parent or home country) and produces goods or provides services in one or more foreign countries (host countries).

Global Corporation-

Has corporate units that are integrated to operate as one organization worldwide in a number of countries.

II. Global Human Resource Management

The utilization of global human resources to achieve organizational objectives without regard to geographic boundaries. Those engaged in the management of global human resources develop and work through an integrated global human resource management system similar to that experienced domestically.

III. Global Staffing

A global organization must have qualified individuals in specific jobs at specific places and times in order to accomplish its goals. This process involves obtaining such people globally through human resource planning, recruitment, and selection.

A.

Type of staff members

1. Expatriate:

An employee working in a firm who is not a citizen of the country in which the firm is located but is a citizen of the country in which the organization is headquartered.

2. Host-country national (HCN):

An employee working in a firm who is a citizen of the country in which the firm is located, but where the firm is operated by an organization headquartered in another country. Normally the bulk of employees in international offices will be host-country nationals.

3. Third-country national (TCN):

A citizen of one country, working in a second country, and employed by an organization headquartered in a third country.

B.

Approaches to Global Staffing

1. Ethnocentric staffing:

Companies primarily hire expatriates to staff higher-level foreign positions.

2. Polycentric Staffing:

When more host-country nationals are used throughout the organization, from top to bottom.

3. Regiocentric Staffing:

Similar to the polycentric approach, but regional groups of subsidiaries reflecting the organizations strategy and structure work as a unit.

4. Geocentric staffing:

A staffing approach that uses a worldwide integrated business strategy.

Global training and development is needed because people, jobs, and organizations are often quite different globally.

IV. Global Human Resource Development

a. Expatriate Development-

The development process should start as soon as the workforce is selected, even before beginning global operations if possible.

b. Repatriation Orientation and Training--

Orientation and training is necessary prior to repatriation, which is the process of bringing expatriates home. Repatriation orientation and training is needed to prepare the employee, and the family, for a return to the home-country culture and to prepare the expatriate's new subordinates and supervisor for the return.

V. Global Compensation and Benefits

Probably the main reason that organizations relocate to other areas of the world is because of high-wage pressures that threaten their ability to compete on a global basis. Basically, the compensation levels are usually much lower globally. Variations in laws, living costs, tax policies, and other factors all must be considered when establishing global compensation packages.

VI. Global Safety and Health

Safety and health aspects of the job are important because employees who work in a safe environment and enjoy good health are more likely to be productive and yield long-term benefits to the organization. For this reason, progressive global managers have long advocated and implemented adequate safety and health programs. Basically, U.S.-based global operations are often safer and healthier than those of the host- country operations, but frequently not as safe as similar operations in the United States.

VII. Possible Barriers To Effective Global Human Resource Management

Unfortunately, a global organization must cope with various unknowns. The management of HR functions globally is enormously complicated by the need to adapt HR policies and practices to different host countries. HR management must consider the potential impact of global differences on human resources. Differences in politics, law, culture, economics, labor/management relations systems, and other factors complicate the task of global human resource management.

a. Political and Legal Factors-

The nature and stability of political and legal systems vary throughout the globe. firms enjoy a relatively stable political and legal system. The same is true in many of the other developed countries, particularly in Europe. However, in other nations, the political and legal systems are much more unstable. Some governments are subject to coups, dictatorial rule, and corruption, which can substantially alter the business environment as well as the

legal environment. Legal systems can also become unstable, with contracts suddenly becoming unenforceable because of internal politics.

b. Cultural Factors-

Cultural differences vary from country to country with corresponding differences in HR practices. HR practices must be adapted to local cultural norms, and, therefore, most HR staff members in a foreign subsidiary should be drawn from host-country nationals. However, just because certain cultural norms are restrictive does not mean that an attempt at change should not be made. Companies must bring in a critical mass of expatriates who carry the culture with them and always leave one or two behind to oversee locals and ensure that they are following corporate policies. The key is to accommodate local cultures but maintain the critical nature of the corporate culture.

c. Economic Factors-

Differences in economic systems must also be thoroughly investigated. In a capitalist system, the overwhelming need for efficiency favors HR policies and practices that value productivity and efficiency. In a socialist system, HR practices favor the prevention of unemployment, often at the expense of productivity and efficiency, which is often unacceptable. The impact of economic factors on pending global operations must be fully understood and accounted for prior to developing HR policies and practices. Probably one of the greatest economic factors is the difference in labor costs.

d. Labor/Management Relations Factors-

The relationship between workers, unions, and employers varies dramatically from country to country and obviously has an enormous impact on HR management practices.

VIII. The Challenges of Expatriate Assignments

One of the most challenging tasks for any firm operating internationally is to manage its expatriate work force effectively.

a. Why International Assignments End in Failure

The failure. expatriates is estimated to be in the 20 to 40 percent range. Six factors account for most failures.

1. Career blockage
2. Culture shock
3. Lack of pre-departure cross-cultural training
4. Overemphasis on technical qualifications
5. Getting rid of a troublesome employee
6. Family problems

Difficulties on Return

When the expatriates return home, they may experience additional problems, which include:

7. Lack of respect for acquired skills
8. Loss of status
9. Poor planning for return position
10. Reverse culture shock

Effectively Managing Expatriate Assignments with HRM Policies and Practices

Companies can minimize the chances of failure by putting in place a sensible set of HRM policies and practices that get to the root of the problems. Such policies and

practices would pertain to selection, training, career development, and compensation. Adequate practices in these areas can be used to avoid problems.

Selection

The choice of an employee for an international assignment is a critical decision. To choose the best employee for the job, management should:

1. Emphasize cultural sensitivity as a selection criteria
2. Establish a selection board of expatriates
3. Require previous international experience
4. Explore the possibility of hiring foreign-born employees
5. Screen candidates' spouses and families

Training

The assumption that people everywhere respond in similar fashion to the same images, symbols, and slogans has hurt U.S. companies. Cross-cultural training sensitizes candidates for international assignment to the local culture, customs, language, tax laws, and government.

Career Development

The expatriate's motivation to perform well on an international assignment will depend to a large amount on the career development opportunities offered by the employer.

Compensation

Firms can use compensation packages to enhance the effectiveness of expatriate assignments. However, compensation policies can create conflict if locals compare their pay packages to the expatriate's and conclude that they are being treated unfairly.

Global Equal Employment Opportunity

Equal employment opportunity worldwide ranges from virtually none to a highly sophisticated system. Some countries have extensive EEO laws, and they are enforced vigorously. Other countries have similar laws that are not enforced, whereas others have no laws relating to EEO.

Conclusion

Managing Human Resources (HR) in a difficult economic environment is even more demanding than working in times of rapid growth. Therefore the Human resource with Innovative idea and new dimension of HR will give a solution to fight with these economic crises and make HR one of the key factors of Organizational growth.

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