

GLOBALIZING HUMAN RESOURCE MANAGEMENT : ROLE, RESPONSIBILITIES AND CHALLENGES

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Abstract: *In the era of globalization many challenges take place in the field of Human Resource Management (HRM) and HRM is ready to face these challenges with innovative practices. The roles and responsibilities of Human Resources are transforming as the modern business faces pressures of globalization. Globalization is a non-stop economic process. Individuals, companies or governments are always on the lookout for new processes or innovations--and so the economic and power structure of the world is never stagnant Global staffing and management of a workforce diverse in culture and language skills, and dispersed in different nations are the key goals of global human resources. Globalization is expected to accelerate grow the in developing countries. The role of human resource management cannot be over emphasized.*

Key Words: *Globalization, HRM Roles, Responsibilities & Challenges.*

1. INTRODUCTION:

Human Resources are transforming as the modern business faces numerous and complex challenges, and exploit opportunities. The transformation of human resources today is a direct call of the rapid changes within businesses due to factors such as globalization. The impact of globalization on Human Resource Management (HRM) needs carefully consideration. HRM is the function within an organization that focuses on recruitment, management and providing direction for the people who work in the organization. In the global competition within the flat and connected new world, decision making in organizations has become increasingly intricate and convoluted. The global supply of talent is short of its long-term demand, and the gap is a challenge for employers everywhere. The shortage between the demand and supply of talent is likely to continue to increase, notably for highly-skilled workers and for the next generation of middle and senior leaders. The field of Human Resource Management has undergone dramatic change during the last few decades due to globalization and technological changes. Now a day, departments of firms are trying to choose appropriate HR practices according to their needs. They are also interested to take competitive advantage of the latest technology. They must be thorough with the basic functions of HR including planning, organizing, leading and controlling human resources. Business environment in India is volatile. There is boom in terms of opportunities brought forward by globalization. However this is also leading to many interventions in terms of restructuring, turnaround, mergers, downsizing, etc. Research has clearly shown that the success of these interventions is heavily dependent on managing the people issues in the process. Employees are the assets of an organization and their suggestions and innovative ideas would help in providing the company leverage and a competitive edge. Budhwar et al. (2009) suggested about the Indian national firms that there is low representation of the personnel function at board level, and few organizations have devised formal corporate strategies. Then the real challenge for the organization in the era of globalization is to pay particular emphasis to strengthening their human resource by upgrading the relevant competences.

2. GLOBALIZATION AND HRM:

Globalization is a process that is drawing people together from all nations of the world into a single community linked by the vast network of communication technologies. This aspect of globalization has also affected the HRM in the business world of today. HR managers today not need to rely in a small limited market to find the right employees needed to meet the global challenge, but today they can recruit the employees from around the world. Besides that the effective data based which is being used globally today also has made HRM a simple but effective task. Thus due to globalization to some extent HRM has become more efficient and effective, but relatively a simple task. The most important factor that these organizations are made up of People, and since HRM is the set of activities which deals with the people factor present in any organization, this change has affected The Human Resources Management itself a lot. Human resources manager of today must ensure that the appropriate mix of employees in terms of knowledge, skills and culture.

Global HRM refers to Human practices that deal with managing a diversity of workforce from all around the world. The following challenges are being faced by HR managers in terms of globalization:- Managing diversity of workforce.- Managing pressures for more labor rights in third world countries.- Managing Outsourcing of employees.- More part-time and temporary work - Managing productivity and Quality- Downsizing the workforce- Coping with flexible working hours

3. FACTORS DRIVING GLOBALIZATION:

The last two decades have seen the evolution of the global manufacturing environment, majority of the manufacturers have global presence through exports, strategic alliances, joint ventures or as a part of a committed strategy to sell and produce in foreign markets. The increasing prevalence of globalization is driven by a number of factors, including shortage of talent in developed countries, availability of low cost labor and growing consumers in developing countries, and technological progress.

4. SHORTAGE OF TALENT IN DEVELOPED COUNTRIES:

Despite the current economic downturn and unemployment, most developed countries, including the United States, Germany and Japan will face long term talent shortages mainly due to ageing and the retirement of baby boomers. There are more workers retiring than entering the labor force in these countries. By 2020, for every five retiring workers, only four new workers will join the labor force in most developed countries. The shortage of workers is predicted across most industries, including manufacturing, construction, transport and communications, trade, hotel and restaurants, financial services, IT and business services, health care, public administration, and education.

5. GLOBAL MARKET FORCES:

There is tremendous growth potential in the global markets which resulted in intensified foreign competition in local markets which forces the small-and-medium-sized companies to upgrade their operations and even consider expanding internationally.

6. TECHNOLOGICAL PROGRESS / FORCES:

A peculiar trend which was prevalent in the last decade, besides globalization, was a limited number of producers which emerged due to diversity among products and uniformity across national markets. Product diversity has increased as products have grown more complex and differentiated and product life cycles have shortened. It created a global platform that allowed more people to plug and play, collaborate and compete, share knowledge and share work, on a scale never seen before. Cloud computing and new advances in remote access and support technologies also seem to fuel globalization. Many service jobs, such as call centers, animation, transcription, and software development can be carried out remotely. These have been diffusion of technological knowledge and global low-cost manufacturing locations have emerged. In response to this diffusion of technological capability, multinational firms need to improve their ability to tap multiple sources of technology located in various countries. The system is designed so human resource personnel are able to analyze the data to get business insights, predict future needs and develop strategies to fill those needs. They also must be able to absorb quickly and commercialize effectively, new technologies that, in many, cases, were invented outside the firm thus overcoming the destructive and pervasive 'not - invented-here' attitude and resulting inertia.

7. GLOBAL COST FORCES:

New competitive priorities in manufacturing industries, that is product and process conformance quality, delivery reliability and speed, customization and responsiveness to customers, have forced companies to reprioritize the cost factors that drive their global operations strategies.

8. AVAILABILITY OF LOW COST LABOR FROM EMERGING COUNTRIES:

The opportunity has never been greater for multinationals to attract top talent from emerging countries, such as Brazil, Russia, India, and China, or to outsource work to these countries. Global population growth differs greatly between developed and developing countries. In the developed countries, USA, EU, and Japan, the current annual rate of growth is less than 0.3 per cent, while in the rest of the world the population is increasing almost six times as fast. According to McKinsey Global Institute, there are approximately 33 million potential professionals in emerging markets and they are growing very quickly. The stock of suitable, young professional talent in emerging markets is growing at 5.5 per cent annually, while the number in developed countries is growing at just 1 per cent annually (McKinsey Global Institute, 2005 - II). The total number of university-educated workers in low-wage countries far exceeds the number for higher wage countries. Currently, India produces as many young engineers as the United States, and China produces more than twice as many. Russia produces 10 times as many finance and accounting professionals as Germany. According to the International Organization for Migration, there were an estimated 214 million international migrants in the world in 2010, and fifty-seven per cent of all migrants live in high-income countries (World Migration Report, 2010). The number of migrants is likely to grow exponentially in the coming years. Furthermore, the migration of workers and outsourcing of work would not be limited to unidirectional flow from emerging countries to developed countries.

9. ROLES AND RESPONSIBILITIES OF HUMAN RESOURCE:

Human resource is a department which leads the development and upgrade of the corporate culture. The common corporate culture is crucial for the global organization. The role of modern human resource departments is to focus on organizations' long-term objectives. Instead of focusing exclusively on internal human resource issues, modern human resource department takes a balanced and broader approach. The organization cannot act the same way around the globe when the corporate culture is different. On the other hand, the development of the common corporate culture is difficult. The nations are different. The HR role is to set up the international team, which develops the unified corporate culture and corporate values. The role of Human Resources is setting the essential training courses for managers. HR has to push managers to apply for the courses. The performance management and the talent management are usually the first globally managed HR processes. The unified and globally managed performance management process helps to manage the performance of individual businesses in countries and helps to identify the future global leaders for the organization. The identification of global leaders needs a strong global Human Resources. The HR professionals have to be trained in global policies, and they have to be managed from different centers of excellence around the Globe. The globalization demands new skills and competencies. Managers have to think globally, and they have to find advantages for the organization on the global basis. They have to be able to negotiate with partners from different cultural background. Human Resources have to adopt its processes, procedures, policies and training to ease the life of managers into the global world of the organization. The role of Human Resources is to help the organization to become the real global organization. Human resources has to identify leaders, it has to look for opportunities to move different processes around the Globe.

10. CHALLENGES OF GLOBALIZATION:

As stated in the previous section, the pool of talented individuals has been growing and is expected to continue to grow in the near future, mainly because of increased educational opportunities in emerging nations. In addition, the demand for such talent is likely to grow even faster in the same period. HRM challenges to business especially those operating across the national boundaries as multinational or global enterprise competing in global markets entails many factors and centralization of its human resource practices is certainly vital to improve global competitiveness and empower employees for global assignment. The key issues involve staffing policies selecting and retaining talented employee, training and development whilst encouraging employees to be innovative and creative, culture barriers, and legal frame work. Others issues include understanding the challenges of living and working conditions, performance appraisals from a distance, training and management development, compensation packages and labour relations and organized labour laws.

Globalization has resulted in specific challenges to HRM including (i) How to enhance global business strategy, (ii) How to align HRM with business strategy, (iii) How to design and lead change, (iv) How to build global corporate culture (v) How to develop leaders.

It also remains the biggest challenge for global organizations' human resource departments to manage a workforce diverse in culture and language skills, and distributed in various countries. It is critical that the businesses not only familiarize with local ways of doing business, and understand the needs of local consumers, but also develop a global mindset among their employees. Being at the center of globalization, multinational organizations need to learn to integrate diverse value systems and espouse shared global work values to create an environment, where workers are able to communicate and coordinate their activities to reach common goals (Rosenblatt, 2011; Erez and Drori, 2009; Ralston et. al., 1997). Human resources must play new roles and responsibilities in leading the organization in uncharted waters of globalization.

11. THE EFFECT OF GLOBALIZATION ON HRM:

Globalization has influenced business so much that even small businesses have global concerns. Businesses can exploit markets worldwide fairly easily in terms of marketing, but the human resources they need on the ground in various countries can present challenges. The human resources department must learn to recruit and retain talent on a global scale. This presents a number of new challenges.

Supply and Demand

When viewed from a global perspective, the demand for employees exceeds the supply. This can be especially true for highly skilled jobs, or positions that require specialized knowledge. HR must not only find qualified candidates, it must find them in locales across the globe. If your company has a need for a specific type of employee that you are used to finding locally, you may be surprised that such employees don't exist in remote locations where you need them. Your HR department must devise strategies to relocate or train employees to suit company needs.

Expatriation

HR may have to persuade employees to work abroad for extended periods. That means HR must provide for housing, orientation to new customs and even new language skills. HR also must be prepared to provide such services to entire families, because employees with families cannot be expected to spend extensive time abroad without their spouses and children.

Communication

Though the Internet has made global communication simpler, time zones have not. HR must devise ways to communicate vital information in a timely manner, without expecting remote employees to be available at odd times, such as midnight or the early morning hours. HR departments can meet this challenge by limiting same-time communication to emergencies only, and setting up email alerts that arrive at the beginning of the remote employee's work day.

Training

HR must devise ways to deliver training to employees abroad who cannot attend live sessions in the company's home country. Solutions may include self-paced training, virtual training that is live but conducted through Internet connections, and teleconferences. If the nature of the training is such that personal contact is essential, HR must find ways to either send trainers abroad or bring remote employees to the home country temporarily.

12. Globalization and the Changing Face of Human Resource Management

- Democratization and pressures for more labor rights in countries where such rights have been restricted
- Competition for investment
- Increased economic independence of nations
- Capital, information and technology flows are on the increase, internationalization of enterprises and creation of mergers and alliances
- Competitiveness increasingly based (not on low wages or natural resources) on knowledge/innovation, skills and productivity. The success of global companies is to a large extent dependent on their ability to organize (within and between organizations) across national boundaries information, money, people and other resources.
- Moving production overseas to reduce costs and to facilitate sensitivity to local and regional market requirements.
- Contracting out and out-sourcing. It is an important rationale of out-sourcing that it, on the one hand, enables an enterprise to concentrate on its core competencies, and on the other hand, it makes service work more productive.
- "Outsourcing is needed not just because of the economics involved. It is required equally because it gives opportunities, income and dignity to service work and service workers."
- More part-time and temporary work (especially among women, the elderly and students)
- Introduction of new technology
- Pushing for a more deregulated and flexible labor market
- More emphasis on productivity and quality
- Greater employee involvement in the design and execution of work
- Shifting the focus of collective bargaining from the nation/industry level to

13. The Major Challenges Faced by the HR in Recruitment are

- Adaptability to Globalization – The HR professionals are expected and required to keep in tune with the changing times, i.e. the changes taking place across the globe. HR should maintain the timeliness of the process.
- Lack of Motivation – Recruitment is considered to be a thankless job. Even if the organization is achieving results, HR department or professionals are not thanked for recruiting the right employees and performers.
- Process Analysis – The immediacy and speed of the recruitment process are the main concerns of the HR in recruitment. The process should be flexible, adaptive and responsive to the immediate requirements. The recruitment process should also be cost effective.
- Strategic Prioritization – The emerging new systems are both an opportunity as well as a challenge for the HR professionals. Therefore, reviewing staffing needs and prioritizing the tasks to meet the changes in the market has become a challenge for the recruitment professionals.

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