Golobal Human Resource Management

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Abstract: We live in times when global corporations and their reach across the world bring benefits in terms of innovative HR policies as well as challenges in terms of managing the workforce are concerned. The rise of such corporations means that the workforce is composed of diverse races and ethnicities.

Further, the issue of gender diversity in terms of more women participating in the workforce has been a trend that has accelerated in the last two decades in India and much earlier in the developed countries. This article looks at the reasons for managing workforce diversity and the issues that such management brings to the fore.

Key Words: Human Resource Management, Man power planning, staffing, global corporations, innovative, policies.

Geocentric staffing policy is the best when it comes to Global HRM. The human resources are deployed productively and it also helps build a strong cultural and informal management network. The flip side is that human resources become a bit expensive when hired on a geocentric basis. Besides the national immigration policies may limit implementation.

objectives of global HRM as follows:

1. Create a local appeal without compromising upon the global identity.
2. Generating awareness of cross cultural sensitivities among managers globally and hiring of staff across geographic boundaries.
3. Training upon cultures and sensitivities of the host country.

Human Resource Management (HRM) is a strategic approach to managing employees to achieve better organizational performance. It aims to attract, manage, and retain employees who contribute to the company's success, ensuring their alignment with the organization's strategic goals and culture. HRM encompasses various functions, including recruitment, compensation, and employee development, to support and engage the workforce effectively.

For example, if you hire people into a business, you are looking for people who resonate with your company culture as they will be happier, stay longer, and be more productive than people who don't. Another example is engagement. Engaged employees are more productive, deliver higher quality work, and make customers happier. This means that if HR can find ways to make employees more engaged, this benefits the company.

The HR department aims to provide the knowledge, tools, training, legal advice, administration, and talent management crucial to supporting and advancing the company.

This is what Human Resource Management boils down to: optimizing organizational performance through better management of human resources.

The seven HR basics- When we talk about Human Resource Management, several elements are considered cornerstones for effective HRM policies. These cornerstones are:

1. Recruitment & selection
2. Performance management
3. Learning & development
4. Succession planning
5. Compensation and benefits
6. Human Resources Information System (HRIS)
7. HR data and analytics

1. Recruitment & selection- Recruitment and selection are the most visible elements of HR. Who doesn't remember their very first job interview, right?

The goal of the recruitment and selection process is to find and hire the best candidate for the job, with the former focusing on attracting potential candidates to apply for the role and the latter focusing on evaluating and choosing the best candidate among the applicants.

The recruitment process usually involves the following steps in some shape or form:

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* Preparing:

o Vacancy intake with the hiring manager

o Write job description

o Creating job adverts

* Sourcing:

o Sourcing candidates

o Checking the existing talent pool

o Keeping the hiring manager informed

* Screening:

o Screening resumes

o Phone screening

o Giving a realistic job preview

The last phase of the recruitment phase has some overlap with the selection process, which then continues as follows:

* The job interview

* An assessment

* References and background check

* The hiring decision

* Job offer and contract

* (Preboarding and onboarding)

2. Performance management- As we've mentioned earlier, an organization's performance management practices play an important role in creating a productive and positive work environment and keeping employees engaged. According to a report by the HR Research Institute, 67% of leading organizations in performance management experienced increased employee performance, compared to only 16% of so-called performance laggards.

Performance management is the second HR Management cornerstone. It is a set of processes and systems aimed at developing employees in a way that enables them to perform their jobs to the best of their ability. Employees who are empowered to their full potential, improve the efficiency, sustainability, and profit margin of a business.

The goal of performance management is threefold:

1. To help employees build on skills that enable them to perform better in their roles

2. To reach their highest potential

3. To boost their success while accomplishing the strategic goals of the organization.

Effective performance management is based on a continuous conversation between employees, their managers, and HR. A strategic and systematic performance management process combines verbal and written components that take place throughout the year. It involves the following actions:

* Establishing clear expectations

* Setting individual objectives and goals that align with team and organizational goals

* Providing different types of feedback

* Regular performance conversations, such as performance reviews and performance appraisals

* Evaluating results.

Important decisions regarding an employee's career, such as promotions, bonuses, and dismissals, should be linked to the organization's performance management process.

3. Learning & development- Learning and development (L&D) is another HR fundamental and an essential part of an organization's overall people development strategy. Put simply, L&D is a systematic process that enhances people's skills, knowledge, and competencies to improve their work performance.

Learning involves acquiring knowledge, skills, behaviors, and attitudes that result in better job performance. Examples of what learning activities can look like include:

*   Reading blogs, articles, or books

*   Hands-on experimentation

*   Peer learning

* Lunch and learn sessions

* Attending seminars, conferences, or webinars

Development evolves around broadening and deepening a person's knowledge in line with their individual, long-term professional goals. The idea here is to grow job-related abilities and expand someone's potential for future opportunities. Activities focused on development include:

* Coaching

* Job shadowing

* Leadership training

* Mentoring

L&D helps employees to reskill and upskill. It is typically led by HR, and a solid learning and development program can be very helpful in advancing the organization toward its long-term goals.

This approach allows employees to bridge skill gaps and grow into leaders. A well-known framework that connects performance management with L&D activities is the 9-box grid. Based on people's performance and potential ratings, HR and the manager can advise on various development plans in consultation with the employee.

4. Succession planning- Succession planning involves planning contingencies in case key employees leave the organization. It is about proactively identifying top performers and potential leaders and getting them ready to fill (senior) positions as soon as someone leaves.

While crucial for the continuity- and sometimes even the survival - of the business, many companies of all sizes still don't have a solid succession plan.

Succession planning is a complex process and if you want to navigate it successfully, keep the following three things in mind:

* Critical roles only: Succession planning focuses on roles that are vital to the organization's competitiveness and continuity, especially senior leadership roles.

* Key talent: Unsurprisingly, for those critical roles, only top performers and potential leaders (usually internal candidates) are selected to be mentored and developed.

* Continuity: The ultimate purpose of succession planning is to ensure that someone else is ready to take over immediately when someone leaves to maintain business continuity.

5. Compensation and benefits- Another fundamental component of HR management is compensation and benefits, often called comp & ben. Fair compensation is critical in attracting, motivating, and retaining employees. Compensation and benefits consist of all the monetary and non-monetary rewards employees receive from their employer in exchange for their labor. Examples include:

* Salary

* Bonuses

* Insurance

* Retirement contribution

* Childcare benefits

* Flexible working options

* Etc.

Getting comp and ben right is important for two main reasons.

On the one hand, making a solid, attractive offer is key to attracting the best talent. On the other hand, comp & ben and related taxes can account for up to 70% of business costs, highlighting the importance of balancing this with the organization's budget and profit margins. HR should, therefore, closely monitor the state of compensation and benefits at their organization.

A final thing to note here is that employee satisfaction is mainly driven by what they perceive as fair rather than by how much someone is paid. How employees feel about the company's pay philosophy and process is more likely to impact their outlook than the actual pay.

So, in addition to offering decent compensation, HR teams may want to start paying more attention to how pay transparency works and how to manage compensation perceptions at their company.

6. Human Resource Information System (HRIS)- The two final HR Management basics are not HR practices but

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tools to improve HR. The first one is the Human Resources Information System, or HRIS.

Most HRIS solutions support all the HR processes and practices we discussed above. Sometimes, however, the management of these functionalities is spread out over different HR systems. For example:

* HR professionals often use an Applicant Tracking System, or ATS, for recruitment and selection to keep track of applicants and new hires

* For performance management, a performance management system is used to keep track of individual goals and insert performance ratings

* In L&D, organizations utilize the Learning Management System (LMS) to distribute learning content internally, and other HR systems are used to keep track of budgets and training approvals

* Compensation specialists often use a payroll system

* There are digital tools that enable effective succession planning.

According to the annual Digital Employee Experience Audit, 30% of companies still use more than ten different HR systems.

The bottom line here is that there is a significant digital element to working in HR, which is why we need to mention the HRIS when talking about the basic components of HRM.

7. HR data and analytics- The final HR fundamental revolves around data and analytics. In the last decade, HR has made a significant leap towards becoming more data-driven.

The HRIS we just discussed is essentially a data-entry system. The data in these systems can be used to make better and more informed decisions.

An easy way to keep track of critical data is through HR metrics and/or HR KPIs. These are specific measurements showing how a company performs on a given indicator. This is referred to as HR reporting.

This type of reporting focuses on the current and past state of the organization. Using HR and people analytics, HR can also make predictions. Examples include workforce needs, employee turnover intention, the impact of the employee experience on customer satisfaction, and many others.

HR can make more data-driven decisions by actively measuring and looking at this data. These decisions are more objective, which makes it easier to find management support for them.

The aim of SHRM (Strategic Human Resource Management) is to ensure that HR strategy is not a means but an end in itself as far as business objectives are concerned. The idea behind SHRM is that companies must "fit" their HR strategy within the framework of overall Business objectives and hence ensure that there is alignment between the HR practices and the strategic objectives of the organization.

With the advent of globalization, organizations - big or small have ceased to be local, they have become global! This has increased the workforce diversity and cultural sensitivities have emerged like never before. All this led to the development of Global Human Resource Management.

Even those organizations who consider themselves immune to transactions across geographical boundaries are connected to the wider network globally. They are in one way or the other dependent upon organizations that may even not have heard about. There is interdependence between organizations in various areas and functions.

The preliminary function of global Human Resource Management is that the organization carries a local appeal in the host country despite maintaining an international feel. To exemplify, any multinational/international company would not like to be called as local, however the same wants a domestic touch in the host country and there lies the challenge.

The strategic role of Human resources Management in such a scenario is to ensure that HRM policies are in tandem with and in support of the firm's strategy, structure and controls. Specifically, when we talk of structures and controls the following become worth mentioning in the context of Global HRM.

* Decision Making: There is a certain degree of centralization of operating decision making. Compare this to the International strategy, the core competencies are centralized and the rest are decentralized.

* Co-ordination: A high degree of coordination is required in wake of the cross cultural sensitivities. There is in addition also a high need for cultural control.

* Integrating Mechanisms: Many integrating mechanisms operate simultaneously.

Global HRM and the Staffing Policy

Here also the role is no different i.e. hiring individuals with requisite skills to do a particular job. The challenge here

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is developing tools to promote a corporate culture that is almost the same everywhere except that the local sensitivities are taken care of.

Also, the deciding upon the top management or key positions gets very tricky. Whether to choose a local from the host country for a key position or deploy one from the headquarters assumes importance; and finally whether or not to have a uniform hiring policy globally remains a big challenge.

Nevertheless an organization can choose to hire according to any of the staffing policies mentioned below:

* Ethnocentric: Here the Key management positions are filled by the parent country individuals.

* Polycentric: In polycentric staffing policy the host country nationals manage subsidiaries whereas the headquarter positions are held by the parent company nationals.

* Geocentric: In this staffing policy the best and the most competent individuals hold key positions irrespective of the nationalities.

Global HRM therefore is a very challenging front in HRM. If one is able to strike the right chord in designing structures and controls, the job is half done. Subsidiaries are held together by global HRM, different subsidiaries can function operate coherently only when it is enabled by efficient structures and controls.

Difference between Personnel Management & HRM- Many students of management and laypeople often hear the term HRM or Human Resource Management and wonder about the difference between HRM and the traditional term Personnel Management.

In earlier times, the Personnel Manager of a factory or firm was the person in charge of ensuring employee welfare and interceding between the management and the employees. In recent times, the term has been replaced with HR manager.

Personnel Management- Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks. In this respect, personnel management encompasses the range of activities that are to do with managing the workforce rather than resources.

Personnel Management is more administrative in nature and the Personnel Manager's main job is to ensure that the needs of the workforce as they pertain to their immediate concerns are taken care of. Further, personnel managers typically played the role of mediators between the management and the employees and hence there was always the feeling that personnel management was not in tune with the objectives of the management.

Human Resource Management- With the advent of resource centric organizations in recent decades, it has become imperative to put "people first" as well as secure management objectives of maximizing the ROI (Return on Investment) on the resources. This has led to the development of the modern HRM function which is primarily concerned with ensuring the fulfillment of management objectives and at the same time ensuring that the needs of the resources are taken care of. In this way, HRM differs from personnel management not only in its broader scope but also in the way in which its mission is defined.

HRM goes beyond the administrative tasks of personnel management and encompasses a broad vision of how management would like the resources to contribute to the success of the organization.

Cynics might point to the fact that whatever term we use, it is finally "about managing people". The answer to this would be that the way in which people are managed says a lot about the approach that the firm is taking. For instance, traditional manufacturing units had personnel managers whereas the services firms have HR managers.

While it is tempting to view Personnel Management as archaic and HRM as modern, we have to recognize the fact that each serves or served the purpose for which they were instituted. Personnel Management was effective in the "smokestack" era and HRM is effective in the 21st century and this definitely reflects a paradigm shift in the practice of managing people. With the advent of new economy industries like IT and the mushrooming of the service sector, organizations all over the world realized that human resources must be viewed as a source of competitive advantage as opposed to treating it much the same way in access to technology or capital is concerned. What this means is that the practice of HRM is being viewed as something that promotes the business objectives of the firms and not merely another factor in the way the firm is managed. With the advent of today's economy where services account for a major share of the GDP and the fact that the service sector is essentially people centric, it is imperative that the people first approach be embraced by the organizations for sustainable business strategy.

The practice of SHRM demands a proactive and hands on approach by the management as well as the HR department

with regards to the entire gamut of activities ranging from staffing and training and development to mentoring and pay and performance management.

If we take real world examples, many organizations in recent times have dedicated "people managers" whose sole function is to look after the enabling and fulfilling needs of the resources. This is a marked change from treating people as just resources to treating people as assets.

For instance, Infosys states that people are its assets and the famous statement by Mr. Narayana Murthy, one of the founders of the company that the capital of Infosys walks in every morning and walks out every evening has to be taken in this context.

Elaborating on this point, one finds that organizations tend to leverage upon the capabilities of the people employed there and ensuring that the "human capital" is nourished and nurtured as a source of competitive advantage. This translates into a dedicated HR department and people managers in every group dealing exclusively with employee issues as opposed to treating this as a line management function.

In today's fast-paced life and cut-throat competition, employers need to rethink about safety provisions at workplace. It not only refers to the absence of accidents. Rather, the concept expands to both physical and mental safety of the employees. It is possible to show the external injury but what about something that is suffocating the employees from inside?

Providing safety to the employees at workplace has a moral dimension as well. Though it is a legal requirement and fetches monetary compensation in case of failure but it can't bring back an individual's life. Eliminating the causes of accidents and counseling employees at workplace play a substantial role in saving the operating costs, increasing productivity and ensuring reliability and dependability from the employees.

Employees are the biggest assets of any organization and few well managed and co-coordinated safety programs can minimize the loss and damage to them as well as to the organization. With basic safety policies and remedies for accidents, the companies should also provide systematic training to industrial employees so that they are able to do their jobs efficiently and safely.

Over a few years, even the mental health of employees, particularly at executive level, has grabbed the attention of the employers.

Mental breakdowns because of stress, tension and work pressure, depression resulting from failure to meet targets and mental illness taking toll from alcoholism and poor human relations have consumed many brilliant young executives. The need is to provide psychiatric counseling, co-operation and consultation.

Development and maintenance of effective human relations can work wonders. Therefore, while making arrangements for physical health and safety at workplace, employers should also take actions to improve mental health of their indispensable resource.

Workplace Safety Programs- Effective designing and implementation of workplace safety programs can minimize the loss and damage caused to persons and property by eliminating the risk of industrial accidents. In addition to it, the employee safety programs can result in substantial cost savings, increased productivity and establishing harmonious relations with workers.

For designing effective safety plans and implementing them requires thorough analysis of workplace conditions and determining the level of protection required.

The degree of protection depends upon the degree of risk involved in any job. For example, people working in mines require more safety that those working in a BPO. It also depends on the kind of job the person is engaged in. Sales personnel may require higher level of protection than the one in any administrative job.

Workplace safety programs are not only effective in eliminating the risk of damage caused to person but is also an effective tool in retaining the existing and attracting new talent from the industry. Who doesn't want a safe and healthy work environment? Around 90 percent of working professionals seek safety at workplace rather than a fat package.

Organizations can reduce the risk of accidents at workplace by identifying the level of risk, modifying the already existing policy and implementing it effectively. For this, it needs to design proper and efficient management programs to improve physical environment employee assistance programs to help them diagnose and treat their stress-related problems. Here is a mention of few workplace safety programs that are implemented by top-notch organizations to ensure workers' physical and mental safety:

* Safety Policy: It contains a declaration of the employer's intent towards the safety of employees and means to realize

it. It includes causes, extent and remedies for accidents at workplace. The policy specifies the company's goals and responsibilities and caveats and sanctions for failing to fulfill them.

* Provision of Physical Health Services: Many organizations render periodical physical health check-up services to their employees. Regular medical check-ups of employees help detect the signs and symptoms of tension, stress, ulcers, depression and other diseases resulting from the exposure to harmful gases or other irritants.

It is considered as one of the major steps to control occupational health hazards and treat them before they become worse. In addition to this, it helps managers in rehabilitating the employees by redesigning their jobs in order to eliminate the further damage to their health.

* Mental Health Services: In order to reduce the risk of mental breakdowns because of tension, pressure and depression and mental illness, a mental health service is provided to the employees in different ways such as psychiatric counseling, co-operation and consultation with specialists, educating employees about the importance of mental health and establishment, development and maintenance of harmonious human relations at workplace.

* Employee Assistance Programs: These are specially designed to deal with stress-related problems of the employees and help in diagnosis, treatment, screening and prevention of both work and non-work related problems. These programs provide real help to professionals and do not carry any negative implications.

* Fitness Programs: These programs focus on overall health of employees and include both disease identification as well as lifestyle modification. The most common programs carried out by the organizations are hypertension identification, physical fitness, exercise, nutrition, smoking and drinking cessation, diet control and personal and work-related stress management.

* Awareness Programs: Conducting the workshops about sexually transmitted diseases such as HIV AIDS help a lot in raising the awareness of employees towards such dreadful diseases. Such programs clear out the confusion and disruption in the workforce.

We all must have heard of a simple phrase, "Health is Wealth." This is true for individuals as well as organizations. Understanding, developing, implementing and evaluating workplace safety programs not only helps individuals in maintaining their health but also helps organizations in retaining their resources.

It is clear from the above paragraphs that HRM denotes a shift in focus and strategy and is in tune with the needs of the modern organization. HRM concentrates on the planning, monitoring and control aspects of resources whereas Personnel Management was largely about mediating between the management and employees.

The times when management could arbitrarily dictate terms to the employees and tread upon their rights is something that is not relevant anymore. With the ballooning of the white collar workforce, it becomes necessary for organizations to pay more attention to the needs of the employees more than ever.

Finally, the fact that organizations derive their strategy from employees instead of imposing strategy upon them is the essence of SHRM.

Though the situation in Corporate India or India Inc. has not yet reached the stage where lawsuits are routinely brought against management for discriminatory practices, nonetheless, the trend in recent years is towards a more vocal disapproval of such practices from industry leaders and management consultants who repeatedly emphasize the importance of a non-discriminatory workplace. Hence, the onus is on the management, senior and middle, to ensure that they follow the norms that is required of them.

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