

Changing Face of HRM in Global Environment

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Abstract

HR must be seen as a credible, knowledgeable, influential partner not only in core HR issues but in all areas of business. HR has been created a need for the organizations to adapt the changes in technology and the changing issues in management of people in global environment. HRM is largely related with the drastic development of businesses globally, technological innovations and furious competition that characterizes the environment in which businesses operate today. Although the overall objectives of formulating and implementing HR strategies as described throughout this level are the same for national and multinational companies. In this paper an attempt is made to point out the experiences on emerging strategies such as- work life issues; quality management standards; human resource outsourcing; retention strategy; pay and benefits; training and development; performance and reward systems; globalization of HR operations; and legal and ethical guidelines in managing human resources. The management has to recognize the important role of Human Resource Department in order to successfully steer organizations towards profitability.

Key Words: *Globalization, Work life issues, Outsourcing, Retention strategy, and HR strategy.*

Introduction

Research says that people are more attracted to companies that provide customized HR practices, and they're more likely to stay and perform at their best. In order to survive the competition and be in the race, HR department should consciously update itself with the transformation in HR and be aware of the HR issues cropping up. Organizations are competing themselves in the global environment with loaded tools and strategies for their survival. For the purpose they have to refine their strategies again and again. These strategies may be related to the organization's

any functional area such as; marketing, finance sales promotion, human resource, legal affairs, liaising work etc. Here the study tries to explore the one of the important functional areas i. e. human resource management, which deals with the manpower of the organization. HR managers have to manage all the challenges that they would face from recruiting employees, to training them, and then developing strategies for retaining them and building up an effective career management system for them. Just taking care of employees would not be enough; new HR initiatives should also focus on the work life issues; quality management standards; human resource outsourcing; retention strategy; pay and benefits; training and development; performance and reward systems; globalization of HR operations; and legal and ethical guidelines in managing human resources.

Trends and Issues in HRM: Review of Literature

"Balancing work and personal life is the most important value as it takes into consideration all the plus and minus points in all respects," says one researcher for Jobtrak.com. "Having time to spend with your family and friends makes working worthwhile." The most common form of work life issue includes flexi time; time-off in lieu; self-rostering; job sharing ; working from home; staggered hours ; shift swapping ; annualized hours ; tele working ; professional development work ; compressed working hours ; term-time working and flexible retirement schemes. Making quality improvements was once thought to be the sole responsibility of specialists (quality engineers, product designers, and process engineers).

Research has revealed that organizations in different countries differ with respect to their HRM practices and policies (Ferner, 1997, Myloni, et al, 2004). It has also been noted that transferring HR policies and practices to different countries can be problematic (Bae et al, 1998; Hofstede, 1980; Kovach 1994; Rosenweig and Nohria, 1994) there is a heightened need to address the external and internal organizational issues in HRM (Nyambegera 2002). This has shifted the study of HRM towards "more substantive issues such as the impact of HRM on organizational performance and employee's experience of work (Legge 2005). Again, attention in the last ten years has drifted towards the areas of strategic management which stresses on the need to align HR policies and practices to organizational goals to boost performance (Beer et al, 1984; Dyer 1984; Delery and Doty 1996; Boxall and Purcell 2003; Paauwe, 2004). With an aging workforce, the permanent employment and seniority system burdens firms with rising numbers of higher-paid and less productive workers (Selmer, 2001).

Today, developing quality across the entire firm can be an important function of the human resource management (HRM) department. A failure on HRM's part to recognize this opportunity and act on it may result in the loss of TQM implementation responsibilities to other departments with less expertise in training and development. The ultimate consequence of this loss is an ineffective piecemealing of the TQM strategy. Thus, HRM should act as the pivotal change agent

necessary for the successful implementation of TQM. Implementing a total quality management system has become the preferred approach for improving quality and productivity in organizations. TQM, which has been adopted by leading industrial companies, is a participative system empowering all employees to take responsibility for improving quality within the organization.

Outsourcing can be defined as the situation where ‘an external vendor provides, on a recurring basis, a service that would normally be performed in house’. Outsourcing offers the potential advantages of specialization. When a firm finds a specialist who can be more effective in providing a service or component that was previously handled in-house. The move towards the flexible firm has seen a trend towards the outsourcing of activities outside the core (Gooderman, 1999). Experts today suggest that in a few years, upto 90% of HR functions will be fully automated- bringing huge savings for the both the firm that is outsourcing and the firm providing the outsourced services. The literatures also suggest the five competitive forces that are driving more companies to outsource some or all of their HR activities. These forces are downsizing, rapid growth (or decline), globalization, increased competition, and restructuring. Over the past decades, these forces have significantly altered the strategy and structure of many firms.

Six Sigma has been well applied in manufacturing through improving processes that use the DMAIC methodology. Some larger corporations have integrated Six Sigma so well into the corporate culture that it can be considered the DNA of the company. However, even in such companies, the human resources department has been practically untouched by Six Sigma. Most strategies fail to get down to the floor level and get lost in the middle layers of management, but HR can help execute the profit and growth strategy through the use of Six Sigma. It must be understood that HR isn't a huge part of any business, but it has a huge effect on every business. Human resources should be considered as human capital. HR must ensure that there's good return on investment in human capital. Typical HR functions include benefits management, compensation, recruitment and skills development. Innovation and change management must also become key functions in the HR department. To provide all individual with remuneration and benefits based on their contribution and value to the organization in a fair and transparent manner.

Trends in International HRM

Managers working in an international environment are obviously more subject to the impact of multi-country, regional and global change and dynamism than managers in a single-country operation. And this applies to HR managers as much as any others. Hardly surprisingly, choices in this context become complex and ambiguous. HRM professionals who contemplate internationalization typically need to address the following: (i) defining strategy for becoming an international firm, (ii) managerial competencies to develop the strategies, (iii) determining how HR professionals will choose whether to send expatriates or use local employees, managing international moves, and managing knowledge across geographical and cultural distance. HRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country. Scullion (2005) tracked the evolution of definitions of IHRM. He observed that although there has been little consensus, definitions have broadly concentrated on examining the HRM issues, problems, strategies, policies and practices which firms pursue in relation to the internationalization of their business. Schuler *et al* (2009) similarly recently positioned the different views that have existed about the nature of IHRM.

New Mandate in HRM

Over the past 70 years, HR had a threefold mandate: maintain strict control over the workforce; deliver low-cost, easy-to-manage administrative HR services; and promote fairness (and avoid lawsuits) through equal treatment of employees. In the future, HR organizations' mandate will be to understand and serve employees with highly relevant offerings that improve their engagement, motivation, retention and performance. When HR fulfills this mandate, it contributes directly to the organization's bottom line. In this scenario, HR becomes tightly integrated throughout the organization; just as other functions have done, including marketing, quality improvement and customer relationship management.

Conclusion

HR continues to balance the demands of several different roles: business partner, internal consultant, operational and administrative expert and both employee and employer advocate. It is necessary for the management to invest considerable time and amount, to learn the changing scenario of the HR department in the 21st century. In order to survive the competition and be in the race, HR department should consciously update itself with the transformation in HR and be aware of the HR issues cropping up. With high attrition rates, poaching strategies of competitors,

there is a huge shortage of skilled employees and hence, a company's HR activities play a vital role in combating this crisis. Suitable HR policies that would lead to the achievement of the Organization as well as the individual's goals should be formulated. HR managers have to manage all the challenges that they would face from recruiting employees, to training them, and then developing strategies for retaining them and building up an effective career management system for them. HR professionals can't wait for change to occur. HR leaders must anticipate new developments, embrace them and develop the strategies necessary for their organizations to succeed.

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