

UNIT: I

Global HUMAN RESOURCE MANAGEMENT (GHRM) is a process of procuring, allocating, and effectively utilizing human resources in a multinational corporation, while balancing the integration and differentiation of Human Resource activities in foreign locations. Hence it can be defined as “Procurement, allocation, utilization and motivation of Human Resources in International business.

Global Human Resource Management includes the firm’s work systems and its employment practices. It embraces both individual and collective aspects of people management. It is not restricted to any one style or ideology. It engages the energies of both line and specialist managers (where the latter exists) and typically entails a range of messages for a variety of workforce groups’.

Global businesses are required to recruit, train, motivate, nurture and retain apart from effectively utilizing their services at all levels of functioning be its corporate office, at the foreign production units plants, therefore, the process of procuring, allocating and effectively utilizing human resources in international business is called Global Human Resource Management.

Criteria relevant to a definition of Global HRM:

1. Global HRM is concerned with HRM issues that cross national boundaries or are conducted in locations other than the home country headquarters.
2. Global HRM is concerned with the relationships between the HRM activities of organizations and the foreign environments in which the organizations operate.

Global Human Resource Management (GHRM) can be defined as a set of activities targeting human resource management at the international level. It strives to meet organizational objectives and achieve competitive advantage over competitors at national and international level.

GHRM comprises of typical HRM functions such as recruitment, selection, training and development, performance appraisal and dismissal done at the international level and additional exercises such as global skills management, expatriate management and so on.

Three types of employees in Global HRM

- **Home country employees** – Employees residing in the home country of the company where the corporate head quarter is situated, for example, an Indian working in India for some company whose headquarters are in India itself. Employees belonging to the country where a company’s headquarters are located are called as parent-country nationals or home country nationals.
- **Host country employees** – Employees residing in the nation in which the subsidiary is located, for example, an Indian working as an NRI in some foreign country. Employees belonging to country where the company has set up a subsidiary or a manufacturing facility are called host- country nationals
- **Third country employees** – these are the employees who are not from home country or host country but are employed at the additional or corporate headquarters. Employees who work in the home or host country facility of the company but are not nationals of either are called third- country nationals. For example, an Indian MNC, which has its corporate office in America, may employ a French person as the CEO to the subsidiary. The Frenchman employed is a third country employee.

Difference between Global HRM vs. HRM

HRM	Global HRM
National Level	International Level
No External Influences	External Influences
Low Risk	High Risk
Organization Culture will be same	Organization Culture will be different
Low range of activities	High wide range of activities
Same Kind of Workforce	High highly diverse workforce
Application of Domestic Laws	Application of International Law
No Need More Administrative Work	Need More Administrative Work

Role of Culture in Global HRM

Culture has a critical influence on the human resource management policies and practices and if the management aligns its strategies with the cultural variables then this would result in increased employee commitment and can result in cost effectiveness as well. When employees would be aware of the norms and values of the culture in which they are operating then they would conduct their work according to those norms. By training the employees according to the cultural requirements organizations can increase their customer satisfaction level as well, because the employees would better entertain the consumers. Human resource is the most valuable asset of the organizations and while operating overseas organizations must align their human resource policies and practices with the cultural variables so that the employees may perform at their best possible level. (Gomes, S., n.d.) With the rapid globalizations and internationalization of organizations, the trend for hiring cross cultural employees have brought forward a lot of issues and problems for an organization. This includes rejection of an organization by a society, cross cultural issues, communication gap, lack of employee motivation and participation. The growing trend of globalization and hiring international employees leaves a huge cultural impact on the HR management policies and techniques. The HR department of an organization plays a vital role in the successful growth and globalization of an organization along with developing and adopting policies to the need of the internationally established and diversified organizations.

Global HRM Trends

- ❖ Remote Work Model
- ❖ People Analytics
- ❖ Online Up skilling
- ❖ International Assignment on contract
- ❖ Artificial intelligence.
- ❖ Mutual Nation Development and connectivity
- ❖ Multi Skill workforce

- ❖ Absorption of acquired businesses, merging of existing operations on a global scale, the staffing of strategic integration teams, and attempts to develop and harmonize core HR processes within these merged businesses.
- ❖ Global business process redesign, the pursuit of a global centre of excellence strategy and the global re- distribution and re-location of work.

The South Asian Association for Regional Cooperation (SAARC)

The South Asian Association for Regional Cooperation (SAARC) was established on 8 December 1985. The Secretariat of the Association was set up in Kathmandu, Nepal, on 17 January 1987. SAARC has eight member countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri-Lanka).

The objectives of the Association are: to promote the welfare of the peoples of South Asia and to improve their quality of life; to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potentials. SAARC also aims to strengthen cooperation with other developing countries and to cooperate with international and regional organizations with similar aims and purposes.

Co-operation Council for the Arab States of the Gulf (GCC)

The GCC is a political, economic, social, and regional organization according to its charter. It is a regional co-operation system between the Arab States of the Gulf created to meet the challenges imposed by surrounding circumstances. The geographical proximity of the GCC states and the similarity of their regulations and economic and social conditions were additional factors that helped in the establishment of the GCC. The GCC was established on 4 February 1981 and held its first summit meeting on 25 May 1981 in Abu Dhabi, United Arab Emirates. Summits have been held every year since then.

Member States of the GCC:

- ❖ Bahrain
- ❖ Kuwait
- ❖ Oman
- ❖ Qatar
- ❖ Saudi Arabia
- ❖ United Arab Emirates

BRICS Countries

This is a list of representative leaders of BRICS states at each BRICS Summit since the group's inception in 2009. The group consists of the five countries, Brazil, Russia, India, China and South Africa. BRICS holds an annual summit, which each state or government leader attends. Each year the heads of government take turns assuming the presidency, whose job it is to set the agenda for, and host, the annual summit.

Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations (ASEAN) is a regional grouping that aims to promote economic and security cooperation among its ten members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Future challenges of GHRM

- ❖ Employees Recruitment
- ❖ Managing Change
- ❖ National Disputes
- ❖ Communication
- ❖ Rigid Culture
- ❖ Skill Gap

Careers in International Business

International Marketing Manager

The international marketing manager is the professional in charge of creating and executing marketing strategies for the international markets. You have to also have a deep understanding of various markets, and ensure that you are marketing your company's product and services to the right people. You have to get your products and services to penetrate the market and establish the brand.

International marketing managers play a huge role in the success of a company's foray into an international market. Therefore, they are also paid according to the importance of their position.

International Product Manager

An international product manager is completely in charge of the products and services that are marketed internationally. Different markets have different standards for the quality of the product. Some markets even have stringent standards of the packaging of the product. Therefore, it is the job of the international product manager to ensure products, packaging and other quality requirements are up to speed according to the international market.

International product managers play an important role in the success of the products. They need to have deep knowledge of laws and standards of international markets. Therefore, such an expert position attracts a good salary.

Finance Analyst

International markets behave differently, and yet they are connected. It is quite a complex structure and the job of an international financial analyst is to know about all these markets and make reports for investments in these markets. They have to analyze deep and provide information and predictive models for various markets for their company to invest money in.

Financial analysts have to be good with numbers along with good observational skills. You need to be good to survive in this competitive profile.

Business Development Manager

The business development manager is the one responsible for bringing in more business on an international scale. For this, they have to know the markets well, make relevant connections and make plans accordingly. This is quite an important position as the business development manager is the one who ensures growth and development, and has to work closely with marketing and sales teams working in the international markets.

Research Analyst

To be able to succeed in an international market, companies need to have information on the markets. This information needs to showcase the opportunities and risks in the market. And this is where the services of a research analyst come into play. They have to research international markets, products, rules & regulations, competitors and more and provide reports for their companies to foray into international markets.

Research analysts play an important role in international business. Companies will have to face a lot of risk without their work. Therefore, they are paid accordingly.

Logistics Manager

Logistics is already a tedious thing to manage. Now imagine doing it on an international scale. This difficult yet rewarding task is the job of the logistics manager. They have to figure out the logistics involved in product supply, resource supply, deliveries, etc. in different countries. The challenge is that rules and regulations, and logistical challenges are different in each country. The logistics manager needs to know about them and ensure everything delivered from suppliers to customers on time. As mentioned before, the logistics manager is one of the most difficult yet rewarding jobs in international business.

International Supply Chain Manager

Companies dealing in goods and products need to have good international supply chain managers. They are the ones who have to figure out the logistics and ensure a smooth operation from procurement and production to packaging and supplying. And since this is being done on an international scale, the task is that much harder. But the international supply chain manager is up to the task.

International supply chain managers are high in demand in companies conducting international product supply.

Human Resources Manager

In international business, there are many staffing challenges. Therefore, you need a good human resources manager. They are in charge of hiring the best staff in different locations in the country. They also have to know the labor laws of those countries and ensure the operations are in accordance with the labor laws of the land. They also have to ensure the staff is happy, and are the communication bridge between the various departments spread all over the world.

Human resources management is very important, especially in a business that is spread across many locations all over the world.

Business Analytics Manager

In international business operations, business analytics play a huge role. When a business is operating in a new market, they have to negate all the risks and make the right decisions. The business analytics manager is the person who uses technology and analytics software, industry information, statistics, and other data to present reports and findings based on whom the senior management can make decisions about that particular international market.

The business analytics manager is a specialized position. You need to have great analytical and predictive skills along with technical skills to understand and use analytics software.

International Brand Manager

When a business is international, branding matters a lot, especially when the business is entering a new market. If the company's brand name is recognized and trusted, they will save a lot of money on marketing and its product and services will get a market share a lot quicker. This is the power of branding. The international brand manager is the person in charge of all international branding activities. They have to create a positive perception and online reputation of the brand. They have to indulge in and arrange for many activities and work with creative people.

International branding managers are some of the highest-paid professionals because their job is quite demanding.