

# MGMT30004 - International Human Resource Management

## Lecture 1 - Globalisation and HRM

### Human Resource Management

- Systems, policy and practises that relate to organising work and employment and motivating employees - this includes HR policies - recruitment and retention, pay, work systems, work organisation, employment relations (with employees, unions and other stakeholders)
- The purpose of HRM involves planning for and reviewing the full range of HR activities within an organisation
- Human resource staff develop policies and procedures to manage and guide employment relationships

### Cross Cultural Issues

- Trust
  - Employment and business relationships depend on trust
  - Trust is necessary for employee commitment, development and harmony
  - Trust is born from cultural shared moral values and behavioural expectations
  - Can get you better remuneration, job security etc.
- Differences in Management Style
  - Effective managers do not use one style of leadership but, adjust their style to suit each situation
  - In high power distance cultures, subordinates expect their managers to make all the decisions
  - In lower power distance cultures, subordinates expect their managers to make all the decisions
  - Lower power distance cultures, employees will expect to have a much greater say
- Equal Employment Opportunity
  - EE laws are the product of society's social values
  - In some cultures, the status of men and women, young and old, gays and lesbians and various ethnic and religious groups may not be the same
  - This in turn, has an effect on employment opportunities and economic status

### IHRM Challenges

- Performance Appraisal
- Training and development
  - Diversity of the workforce
  - Language differences
  - Cultural attitudes that conflict with company philosophies and practise
- Remuneration
  - Bureaucratic vs. profit sharing systems
  - Individual vs. group reward
  - Hierarchy and status differences
- Industrial Relations
  - Union economical and legal clout
  - Concessions in one location do not create precedents for the rest of the organisation
  - Framework for resolving conflict

### The VRIO Framework

- Tests whether a company has a sustainable competitive advantage

### Homogenisation of Culture

- The process by which local cultures are transformed or absorbed by a dominant outside culture
- This is the idea of McDonaldisation - everywhere you go you see McDonalds
- Peoples tastes, interests and lifestyles are becoming more and more similar across the world
- This is because of barriers coming down in the context of travel, communication and globalisation

### HRM and Globalisation

- Activities, policies and practises for managing people are influenced by:
  - Political and legal environments
  - Economic interconnectedness
  - New technology
  - Emergent global culture

### Global vs. Domestic HRM

- Operates in different countries, employing different categories or workers

- The level of complexity is very high due to:
  - More and different contextual influences
  - Higher levels of risk
  - A broader set of activities
  - Many strategic roles
  - Differentiation (or localisation) vs. consistency (or integration) of HR operations

### **Political and Legal Impact on HRM**

- The level of democracy, economic liberalisation and privatisation
- Legislation on Workforce:
  - Discrimination
  - Minimum wage
  - Maximum work hours
  - Unionisation rights
  - Immigration laws for the international workforce (expatriates and migrants)

### **Economic Impact on HRM**

- There are shifting patterns of trade
- The global workforce is changing a lot - many more migrants

### **Technology Impact on HRM**

- There have been advances in technology
  - Reduced cost of communication
  - Easier access to global goods and capital market
  - Changed roles of employees
- Many HR activities now rely on technology
  - Recruitment
  - Employee evaluation
  - Compensation
  - Automation or outsourcing of administrative functions

### **Sociocultural Impact on HRM**

- There is a global convergence of culture
- But there is also diversity in societal cultures too
- Global HRM must consider societal differences in values, attitudes, beliefs and assumptions about appropriate behaviours

### **Cross Cultural Issues**

- Gestures, facial expressions, behaviour and words can have different meaning and connotations
- Differences in how cultures embrace silence
- The importance of hierarchy, rank and sonority
- Acceptance of speaking one's mind
- There may also be differences in morality and standards of behaviour, the prevalence of bribery and corruption and adherence to the legal systems
- Trust:
  - Trust is also a key issue - employment and business relationships depend on trust, trust is necessary for employee commitment, development and harmony, trust is born from cultural shared moral values and behaviour expectations
  - Research suggests that where a relationship is positive between a superior and a subordinate, the subordinate experiences better remuneration, more promotions and higher job satisfaction
- Management Style
  - Effective managers do not just use one style, they tend to adjust their style to suit each situation and societal expectations
  - In high power distance cultures subordinates expect their managers to make all the decisions, less opinions, less impact e.g. China, Japan
  - Lower power-distance cultures, employees will expect to have a much greater say e.g. USA, Australia
- Equal Employment Opportunity
  - EE laws are the product of society's social values
  - In some cultures, the status of men and women, young and old, LGBTQ and various ethnic and religious groups may not same

- This has an effect on employment opportunities and economic status

### **International HRM Challenges**

- Conducting Performance Appraisals
  - Consider the meaning of performance, and changes in criteria - is it the same for all positions?
  - Is feedback direct or indirect?
- Training and development
  - Diversity of the workforce
  - Language differences
  - Cultural attitudes that may conflict with the company, its philosophies and practices
- Remuneration
  - Bureaucratic vs. profit sharing systems
  - Individual vs. group reward

SAMPLE NOTES