

International human resource management essay

[Literature](#), [Russian Literature](#)



The most important part of any company if it wants to be successful is excellent human resource. Companies who manage to keep their employees happy and content reap rewards in terms of increased customer satisfaction and loyalty, high profits and increased sales of the product and service coupled with goodwill and a good image in the job market for prospective employees. This approach towards harnessing cordial relations between the human resource and company objectives has become even more important now that business operations have taken a new dimension.

Globalization is not limited to only consumer goods and the advent of internet. Globalization has affected corporations as well. As companies expand their services to the global consumers in several different geographical locations and sell millions of products and services daily, it has to employ several hundred or thousand employees to continue operations in those geographical regions. Also, achieving economies of scale while keeping profits high has become the new strategy for corporate businesses and this has given rise to off-shoring and outsourcing of jobs creating more jobs outside their native countries.

Also, many companies have expat employees working in other countries for the company and their needs and demands as an employee of the firm need to be given adequate consideration as well, thus companies are increasingly keeping up with not just human resource management at home but also international human resource management for international employees. The management faces extensive challenges when it decides to make it human resource global. Firstly, the organization finds it difficult to replicate the

quality and amount of talent that it has home in various geographical locations.

It is obviously not possible that the level of sophistication of employees in a country like India is the same as employees in United Kingdom. The required level of skills and talents may be a difficult combination to find everywhere. Talent management is one of the most important aspects of human resource management. The US Society for Human Resource, in a research paper concluded that talent management is the coordination between the labour force of your company and the strategic goals of the company which leads to higher profits and increase in shareholder's wealth.

After the Second World War there was a shortage of skilled labour as many had perished during the war , thus corporations made a strategy of 'developing' their own labour potential as opposed to hiring from other countries or outsourcing the jobs. However, as trends began to shift and women started to enter the workforce and previous inductions in the workforce was now trained and skilled to work, there was an excessive supply of competent managers.

This provided room for corporations to overturn their strategy, and employers started preferring buying employees, that is outsourcing and off-shoring the jobs (Markus, 2010). This off-shoring and expat assignments also help in developing a trained workforce overseas which employs the same work standards cutting training and development costs down and increasing profits for the firm in the long run for the company. Secondly, replicating the technology and work ethics prevalent at home office to an international

workplace can be difficult as different people have different cultures, traditions and set of work ethics.

For example, an employee working from or in another country may not be able to work due to a holiday that he or she has to observe. Several factors make the workforce of a company diversified. Inclusion of female workers, immigrants, contract workers, temporary workers are required as corporations become increasingly globalized and mergers and acquisitions become a part of a growth strategy for medium and large scale businesses. Managing diversity in the workforce can be a challenge for a business especially when the workforce is operating in different geographical locations.

Often, when companies relocate their employees or send them on expat assignments they may face difficulties in selecting the right candidates for an assignment overseas, documentation, agreement contracts, immigration and family problems among others. To make sure that human resource personnel encourage this diversity and take adequate measures they have to design a benefits plan that caters equally to people of all races and nationalities without any discrimination.

New immigrants are often underestimated in terms of their skills because they do not have the required language, math and communication abilities to be on par with the current employees or ones who are highly educated however, they are a great source of labour for corporations. The human resource manager at Designed Blinds, Deb Franklin realized their untapped potential in Sudanese and Hispanic employees through classes she trained these new immigrant employees in communication and math skills in order to not

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only make them a viable workforce but also encourage understanding and support from colleagues (Hammer, 2003).

Historically New Zealand (NZ) is a country of immigrants though these immigrants in the 19th and early 20th century were primarily Caucasians from Anglo Saxon countries. People from China came to New Zealand in the 19th century to work as gold miner in Otago. Similarly people from India even came to find jobs, most of which included scrub cutter, hawkers (fruit and vegetable) and many chose to serve the wealthy British people living there.

Census records of Indians in NZ show their increasing numbers thus: in 1881, six were recorded, in 1991 there were 30, 609, and in 2006 there were 104, 583 Indians (Pio, 2008). The growth of Asians which included Indians and Chinese in New Zealand recorded in year 1991 was three per cent of the total population, five per cent in 1996, 6. 6 per cent in 2001, and 9. 2 per cent in 2006. In the early and mid twentieth century, those ethnic minority women who worked primarily did so in family businesses such as market gardens and corner stores (Pio, 2006).

Firms that look towards international human resource management are trying to promote high performance work environment in their companies. This high performance work system encompasses rigorous hiring methods, investment in training and development of employees and several other different kinds of compensation plans such as pay for performance, variable pay plans and employee stock ownership among others in order to match the compensation and benefits plan of a different group of employees.

It is believed to have a significant impact on employee performance in the workplace and motivational level of employees (Liu, Guthrie, Flood & Maccurtain, 2009). Also, good HR policies have an impact on lessening the extent of unionization which is fear by the employees that they will be treated unfairly or unjustly. Verma used Rubenstein and Kochan's (2001) case description of Saturn to illustrate how union representatives may be more willing to "tell it like it is," leading to improved management practice.

Verma reviewed existing evidence on the association between unionization and use of HR policies and practices, and found positive union effects on training, selection practices, and employee voice mechanisms and negative effects on the use of formal performance appraisal and flexible job arrangements. Thus, in his view, unions may sometimes lead firms to use more progressive HR policies and practices (Verma, 2003). Executive pay is another issue in human resource management which has taken an international perspective especially after the great recession that the world has seen in a long time.

Since companies, mostly financial ones have defaulted on Wall Street and millions of dollars of worth of bailout packages have been provided to those who were considered too big to fail such as Fannie Mae and Freddie Mac and merger and acquisition of several banks by investment firms like Goldman Sachs has created an issue of not only ethical practices around the globe but also that of hiring good managers who are not interested in only monetary gains but rather they can show true leadership and steer the company out of problems.

These executives are paid highly because of the immense amount of work pressure and critical decisions they make for the strategic direction of the firm. However, after the financial institutions were not careful in lending out and all over US the subprime mortgage caused toxic loans and defaults and banks got in trouble, these executives were still giving themselves big bonuses portraying bad management practices. An early 2009 study of executive compensation practices in 12 countries reveals widespread use of some kind of corporate or legislative control over pay, often imposed through tax codes.

Compensation is usually managed by a subcommittee of the board of directors, though boards' activities are commonly secretive. The objectivity and independence of the compensation committee is an issue for investors. This has spurred the demand for a say on pay, and ten countries require shareholder approval for new share plans, while two require an advisory vote. More common ground is found in the area of service contracts and severance pay. Cultural differences will probably inhibit full international convergence on executive pay practices (Jackson & Bennett, 2009).

Young children usually consider giving more to a guest or outsider's child unfair. The same happens in the professional world even when people grow up. There will always be objection when employees feel they are being treated unfairly by the firm and given less. Professional firms with a global scope face the same issue when offering life and disability insurance benefit programs to those overseas that do not match the U. S. domestic plans in amounts, quality, or terms and conditions.

This article examines the challenge of insuring international employees with coverage comparable to their U. S. counterparts, as well as ensuring that the coverage for employees' overseas takes into consideration local rules, regulations, and tax laws required of insurers doing business there; and how to best deliver solutions to both issues (Holleman, 2009). As the business world has globalized, professionals have become more specialized and focused in their work. At the same time, the pace of change has accelerated. Professionals, whether prudent or not, continue to rely on their employer's (or spouse's employer) benefit programs to provide the core baseline coverage for medical, life, disability, etc. This puts more pressure on global benefits teams to be forward-thinking and provide programs that, whether paid for by the company or offered on a voluntary employee paid basis, allow employee professionals the comfort and peace of mind that appropriate insurance options have been considered and the very best quality and equity levels have been achieved.

This is particularly germane in today's market because many employees do not have the time (or the inclination) or skills for in-depth planning on their own. The recent economic turmoil and stock market performance have also enhanced the concern about the ability to save for retirement and achieve lifetime income, which, again, has resulted in an elevation of disability and life insurance as key elements of an income and asset protection strategy. Performance appraisal is one of the key factors of performance management, it is also considered to be a way through which company's strategy, objectives, developments are conveyed.

Lots of researches have been done on performance appraisal and performance management but when it comes to researches being done internationally, it is on a very small scale (very little research is being done). And because of this very little research done on the performance appraisal most of the multinational companies will not be aware of the relationship between performance appraisal and job satisfaction which employees most of the people living there (Maley & Kramar, 2007).

The scant international appraisal research that has been conducted suggests that problems that have been identified at the domestic level will be exaggerated when a firm globalizes its operations (Harvey, Novicevic & Speier, 2000). The two important cases which should be taken into account are the disagreement amongst the researchers to judge the effective way to assess performance appraisal and what it should include in it.

When these issues are not being addressed on a domestic level therefore most of the Multinational companies judge the behavior of international employees as inappropriate and that international employees are despondent about their appraisals (Vance, 2006). Feedback has been found to be vital for a successful international appraisal and is seen as one of the important ways in which a MNC can more fully tap and develop the talent of their diverse employees, as well provide a sense of direction (Milliman, Taylor & Czaplewski, 2000).

Human capital management uses performance appraisal to analyse the relationship of employees with their superior and the effect of MNC's parents. Human capital managers believe that there has been a less effort done to measure the performance on quantitative and financial terms. On <https://assignbuster.com/international-human-resource-management-essay/>

the basis of performance of the subsidiary decisions about the bonus is done through appraisal (Cascio, 2000). For training and development purpose performance appraisal is not being used which is the opposite of the findings in Australian studies conducted recently (Compton, 2005).

The process and perception of appraisal by the human capital management has influenced the parent company's structure and strategy. It is important for the human capital managers to feel a key role in the multinational company because of their experience in the different part of the company and in the career progression prospective; they attain satisfaction regarding the appraisal processes. And when the company adopts transnational approach to strategy and geocentric structure only then this situation will be occur (Maley & Kramar, 2007). References Cascio, W. F.

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