

# Contemporary issues on human resources assignment

[Business](#), [Management](#)



**INTRODUCTION** The writer aims to bring debates in the convergence and divergence in search of truths in the Human Resources Management (HRM). In pursuing the attempt to find convergence and divergence the writer will discuss pertinent areas of interest in the different notion of convergence using the US and European model, globalization and some clear divergences nuances and specific themes in the areas of divergent HRM practices in performance management and hiring practices.

In a considering the convergence and divergence in managing international human resource it is best to consider the range of policies and practices which have strategic significance for the organization (Brewster and Tyson, 1991) and which are typically used to facilitate integration, employee commitment, flexibility and the quality of work life as well as meeting broader business goals such as changing organizational values, structure, productivity and delivery mechanisms (Sparrow, 2004).

There are key research questions in the study of convergence and divergence in HR like: Will globalization lead to the universal adoption of HR best practices? And if so, what are the implications for firm performance and ways of managing HR? These questions are guide in our quest for deeper understanding of convergence and divergence studies especially relevant to Asian countries because of the increasing globalization of firms in this area which means they are now competing globally with firms all over the world.

**Divergence, Convergence and Globalization** It is best of for us to understand divergence and convergence as it is the key for further discussion of this paper. (Kerr, 1983) has a notion of convergence being the “ the tendency of

societies to grow more alike, to develop similarities in structures, processes and performances” and divergence as “ the existence of variety in these elements”. And more recently in the past two (2) decades it has often been subsumed under the term of globalization as the life line of convergence.

Thus, the increasing connections and interactions between nation states and the freer and quicker interchanges brought about by the technological advancement in communication and movements of capital transcend national borders. An implication of globalization for management is that there are “ universal truths” or convergence, including in managing HRM, that can be applied everywhere (Rowley and Bae, 2002). Such universalistic and convergent tendencies in management can also be interpreted in historical perspective.

Moreover, (Kerr, 1983) states that economic system of whatever kind have to require a considerable degree, common tasks and objectives. These include maximizing of people’s welfare today and establishing optimum rates of future growth, which are more or less the same in any nation’s development. Moreover, in the course of this paper research on the related literature there may be reasons other than globalization or industrial development that may explain convergence. For example, Mckinley et al. (1995) argue that HR practices are adopted not because of “ effectiveness”, but the acceptance of other specific social constraining forces.

These social forces, which stem from the needs of legitimacy, avoiding uncertainty and professionalization, drive firms to adopt institutional rules,

which may then create pressures for convergence (Rowley and Bae, 2002). The globalization leads us to the discussion of the notion of convergence in relations to HRM. HRM and Globalization A principal theme in management research today is the debate around the tendency to convergence, as against continuing diversity, of organizational forms and practices in varying national settings.

The globalization dynamics promoting convergence and divergence in organizations and managerial practices worldwide have attracted attention from a broad range of social sciences disciplines (Guillen, 2001). Two lines of the debate are currently very well defined. A common argument is that market, technological and managerial forces compel MNCs to adopt common strategies and practices, fostering economic, organizational and employment homogenization across borders.

Multi-national corporations (MNCs) are seen as being carriers of globalization, spreading managerial knowledge and techniques internationally through the dissemination of 'best practice' (Martin and Beaumont 1998). An institutional approach suggests an alternative stance (Hollingsworth and Boyer, 1997). The massive institutional complexity that MNCs face as a result of operating in numerous host countries acts as a counterweight to pressures for convergence.

At the same time as globalization forces promote the standardization of certain elements of management systems, including personnel issues, local culture, institutional arrangements and labor practices manifest the

resilience of capitalist variety (Hall and Soskice, 2001). The role played by the MNCs in promoting or resisting divergence or convergence of HRM across national borders deserves particular attention. In recent years a large number of studies have concentrated on the interplay between MNCs, home and host countries and HRM practices, producing a distinctive line of inquiry within the international HRM field (Jain et al. 1998). (Routledge 2003)

Globalization According to the convergence view of globalization, organizations are structured similarly in form and perhaps have similar outcomes (Guillen, 2001). Based on (Barney, 1991) argument that a firm's competence needs to be unique, rare, and costly to imitate, if firms are increasingly adopting the same set of HR best practices, these practices can no longer provide competitive advantages to them. This presents a paradox for globalization research. On the one hand, globalization leads to more similarity, and on the other, these similarities do not allow firms to compete more effectively.

In addition, although globalization theoretically closely related to legitimization and institutionalization (Meyer et al. , 1997), there is a lack of empirical support for the notion of global culture (Guillen, 2001) (Lau and Ngo, 2001) Since globalization has created a borderless world (Ohmae 1990), one of its effects is convergence which can a good debate in the convergence in managing HR. The convergence argument was first discussed in (Kerr et al. 1973). The contention is that as industrialization and technology become ore widespread, common problems occur and similar reactions are adopted to deal with these problems. This leads to a

convergence in ways of living around the world to give similar HR solution to similar HR challenges around the globe in all areas of managing HR. Building on the assumption of convergence debate, globalization is by far the main supporter to convergence in managing human resources and possible convergence of HR best practices. Further examination of the extent of convergence of these HR management best practices and their effects on firm performance is required.

Research on convergence brought different from other studies that have focused on whether firms operating across different countries are adopting a universal set of HR practices. HR practices of firms operating in one single area, controls specific institutional and cultural factors that may mitigate the effect of globalization (Lau and Ngo, 2001). In one of the study of related literature in convergence, Hong Kong was chosen as the research setting because it is relatively open to globalization, contains many foreign firms, and has a global reach.

Since globalization has created a borderless world (Ohmae 1990), one of its effects is convergence. The convergence argument was first discussed in (Kerr et al. 1973). The contention is that as industrialization and technology become more widespread, common problems occur and similar reactions are adopted to deal with these problems. This leads to a convergence in ways of living around the world. Supporting convergence (Lau and Ngo, 2001) says that globalization highlights the integration of today's economies in terms of a number of aspects. Jones, 2002) another supporter of globalization argues that globalization is often understood as a progressive integration of

financial, product, and labor markets across national boundaries. (Guillen, 2001: 236) defines globalization as “ a process leading to greater interdependence and mutual awareness (reflexivity) among economic, political, and social units in the world, among actors in general”. In course of this research, most supporters of the convergence argument have provided comprehensive data to show the convergence of various aspects of people’s life styles under the condition of globalization. In a greater extent (Ritzer, 1993) documents how different societies have assimilated the fast food culture exemplified by McDonald’s. Some economists and sociologists have argued that modernization has caused societies to converge (Guillen, 2001). Based on the rationale behind the convergence standpoint, some HR researchers have declared that there are a set of universal human resource best practices which, if used by firms, would lead to better firm performance (Huselid, 1995).

According to (Delery, and Doty, 1996) argue that best practices are always better than other practices and should be applied everywhere, regardless of industry or geography. Globalization debate is having a tremendous influence on various aspects of business including managing HR. It is moving the flow of resources and information, and hence values, practices, and technology can be easily diffused. In particular, new management ideas and practices are disseminated among firms at a very fast pace. This is even more the case when (MNCs) play a relatively more important role in many economies.

A growing body of literature has examined the impact of globalization on the management system and practices of firms (Guillen 2001). Recent studies have found that MNCs have a significant impact on human resource management practices (De Cieri and Dowling 1997). However, less is known about the effectiveness of global human resources policies and practices. It is a convergent fact that this is not a desirable situation as human resources policies and practices are the keys to workforce productivity and the competitive advantage of firms (Pfeffer 1994).

In the discussion provided by (Lau, and Ngo, 2001) they confirm the case for firms under great pressure to make rapid and constant management changes in the global competitive environment. Globalization leads us to the deeper understanding of convergence in the influences of the most advanced economies in the world - US. Notion of Convergence: US and European Model  
The writer pursues to discuss the evidence concerning convergence or divergence which is more evasive to fully exhaust the different points.

There are a number of theories being debated upon. According to (Harris and Ogbonna, 2001) there are at least two (2) variations of the convergence thesis. The first is the market driven approach, which tends toward arguing that the rest of the world will become increasingly similar to United States of America, the most powerful market in the world and therefore the exemplar, in the way that organization are managed, including how human resources are being managed.



The second explanatory is institutional which, although there is an argument that the institutional power of European Nation and its approaches to employment practise will lead to a convergence towards a specifically a European model. In the process, the divergence thesis often uses institutional and arguments. Moreover, there is more than one approach to the notion of convergence. Some of the authors would see it as a market-based issue.

They argue that the logic of technology and its increasing diffusion mean that eventually, in order to compete, everyone will have to move to adopt the most efficient management and HR practices (Kidller, 1991). The underlying theory here is that the principal mode will be the US universalist mode. The institutional perspective, however, argues that institutional factors can lead to a diminution in the differences between the ways in which countries handle their HRM. For example, the EU is passing legislation in the EU and some companies now operate as if the EU was one country. Harris and Ogbonna, 2001) Convergence in US (Brewster, 1994) has pointed the core assumption of North American HRM is that the employing organization has considerable degree of leeway in regard to taking decisions on the managing HR and the freedom to operate conditional pay policies; the option of an absence of or at least a minimal influence from trade unions and an assumption that the organization has role responsibility for human resources practices. (Harris and Ogbonna, 2001) In other words, central to the notion of North America HRM is an assumption of considerable organizational independence and autonomy.

This assumption is reasonable for US. Companies given the weakness of trade union movement in the USA where membership is currently probably less than one-tenth of the working population according to (Harris and Ogbonna, 2001) and union activities are predominantly site-based coupled with the comparatively low levels of state subsidy, support and control. It also fits comfortably with the notion that the state should interfere in business as little as possible. This leads to the supposition that US style of Human Resource management will be a converging point in the Human Resource practices globally.

There are a lot of management theory books that supports this presumption. Divergent HRM Practices Performance Management A very strong debate on divergence in national HR practices is in performance management. The process of performance management links goal setting and rewards, on-going coaching for performance, aspects of training, career succession planning and performance evaluation and appraisal into an integrated HR process. As firms seek to 'manage the most out of employees' they are turning their attention to issues associated with employee performance.

Because of the nature of international competition, the specific concerns in performance management are with measuring and motivating customer service, quality, innovation and risk-taking behavior (Peters, 1992). HRM practices and policies for competitive advantage are convergent with worldwide organization structure associated with the issue of performance management culture. Organization structure refers to the relationship among units and individuals in the organization. It can be described as

ranging from a hierarchical, mechanistic relationship to a flatter, horizontal and organic relationship (Bums and Stalker, 1961).

The divergent debate is very strong in the effectiveness therefore of any worldwide conceptualization of HRM will very likely be constrained by the different institutional contexts for national practice. (Sparrow, 2004). Hiring Practices Another divergent argument is the striking a balance between globalization and localization in human resource management requires a better understanding of the cross-national differences in terms of both the status quo and the socially desirable HRM practices particularly in the hiring practices.. In the review of related literature on divergence, the writer found in the a study examined the hiring practices in 10 different countries or regions and the empirical findings revealed more divergence than convergence in the recruiting practices, but they also suggest that organizations around the world are indeed in the process of converging on ways of recruitment even though the current selection criteria may still be driven by each country's prevalent cultural values. Huo et al, 2002) In spite of the cross-national differences that the writer found, the trend toward convergence seems to be irresistible. This trend of convergence is evident in the 'should be' portion of our data analysis of the researches. The research made by (Huo et al, 2002) also surfaced an accelerated pace of global convergence in recruiting practices in the future as a result of the advancement of contemporary information technology like online portal recruiting.

The hiring practices converge in the idea of selecting the most qualified persons to fill job vacancies and this seems to be a universal goal for both

human resource and line managers around the world, as a mismatch between jobs and people could dramatically reduce the effectiveness of other HRM functions (Dunnette , 1979;). Whether a specific HR practice should be universally adopted remains standing unresolved issue, but understanding the similarities and dissimilarities of existing hiring practices in different nations ought to be the first step taken by HRM researchers along this line of inquiry. (Huo et al, 2002).

Nonetheless, the methodology of hiring and selection has never been the same standards around the world. In the course of this research the writer found useful knowledge for managing today's globalized human resource systems. The two (2) main basic questions remain. First, does significant divergence exist among nations in terms of commonly used hiring practices? If so, what are such divergences? Although few would expect human resource managers around the world to recruit new staff the same way, it is reasonable to assume that certain practices are more repeatedly used by organizations of various countries.

Apparently, the degree of level of standard in characterizing each selection criterion is a critical issue that cannot be adequately addressed on the basis of pure theoretical arguments. Rather, it requires an empirical examination in the frequent use of each selection criterion used within each country. The second question is whether HR professional agree that there are some universally desirable selection standards that can be used for recruiting new employees in all countries.

A good example is that the use of psychological tools and psychometrics which can be a standard selection criteria in contracting candidates. However, the question would differ a little if all selection criteria practically used in all organizations were also viewed as highly desirable by all organizational members. We know, however, by observing real organizations that such a consensus rarely exists; no matter how judiciously the hiring selection criteria were set by the human resource department, some employees would complain about the inequity caused by the hiring practices. Even in the most dynamic organizations, staffing criteria are rarely set by a consensus generation process; more likely, they are a result of more or less the trials and errors over the years, bound by legal requirements, and subject to many other organization constraints. As such, the degree of convergence, or the extent to which a selection criterion is universally desirable, ought to be treated as a separate issue from having standards around the globe. CONCLUSION Convergence in managing HR in the MNCs brought the tendency of companies to adopt similar successful management practices to attain corporate goals.

It suggests that companies are becoming more alike, wherever they are located around the globe, in consideration of organizational structure, technologies adoption, and ways of operating in those defined structure. Convergence protagonists (Hickson et al, 1974) and (Porter 1986) contend that convergence is influenced by factors such as, improved global communication and travel (Levitt 1983) and the operations of multi-national corporations (Lubatkin, et al 1997). Divergence is self-evident considering that

Western management practices require modification when used in non-Western country contexts, as embodied by the popular term 'glocal', to think globally but act locally. This phenomenon, known as divergence, acts counter to convergence. Divergence protagonists argue that employees are likely to exhibit a range of different attitudes, skills, knowledge and abilities. In particular, culturally bound employees from different national cultures display different work-related preferences (McGaughey and De Cieri 2002).

In conclusion, HR management practices and policies and improvement programs may require adjustments when implemented in different cultures. Convergence and divergence coexist; examining these two perspectives separately is an over-simplification of the complexity of the business environment and in relations to the managing HR. Finally, the quest for on the convergence of global best HR practices and the effects of divergence due to differences in national cultures will continue to raise a surplus of questions on the effectiveness of HR management best practices.

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