

A critical analysis of ethical and social issues in iHRM practices



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Today the most companies are competing in international market by the Globalization. Which increase the importance on international human resource management? The “ Best International Human Resource Management Practice project” is conducts and partially assess in 2002, due to the shortage of empirical studies on human resource management practice. The results called for replications and extensions due to broad approach of the study. In the business situation, the employee has good ethical values and act social conscientious. The trouble is that the moral of a business is a mix of individual bunch of ethics. This is why the association wants good citizens as member of staff.

When the international employee work with the local employ they should have give the same importance and respect to each other. Social responsibility is can say that the example of ethical behavior. If the trade were to slack too much cash, then it would stop to exist, upset customers, and put down employees jobless. There is some dispute that societal responsibility is demonstration mean to produce a advantage for others further the company. Additional, some firms may they do finest as a business and give reverse what they can. Examples of publicly accountable behavior vary from projects that elevate money for investigation on diseases, raising cash for the needy, involving works to volunteer in the society, recalling items that may be unsafe, promoting reprocessing, and offering at no cost services to the countless ethical impasses that may happen in business surroundings. Few of them are further understandable while few of them are more incomprehensible. There is a plain foundation that helps keep decisions in perspective. Business should operate in a

manner that is legal, profitable, and ethical and within social norms. By being within social norms, means that you need to use society to gauge if your decisions are appropriate. Some cultures would define what is ethical differently from other cultures. Because all businesses need to be profitable, sometimes there is an over emphasis on making more money. Social norms should govern what is appropriate to compensate individuals as well as to charge customers. Profit expectations and goals should not require a business to cut corners in an unethical way or to misrepresent or twist facts.

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Introduction

The numbers of growing large and small organization, which influence by inter nationalization of organization. That also increases the number of international organization and international employees. This scenario increases the interest of International human resource management (IHRM). There is a broad area to understanding of HRM practices on international level. The internationalization of organization is creates more value for the business but as well as it is also arises many issues. The ethical and social issues are one of them.

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IHRM are responsible for the recruiting good employees on international level, International employees came from different countries and different cultures. So, that their thinking level, their behaviors are very different from the local staff. That becomes a challenge for the IHRM practices to manage the human resource. The huge aspect of the wide scope for the IHRM is that, when headquarter based manager contract with employee, who come from different culture.

The headquarter manager co-ordinate with the IHRM in their policies and procedures to manage the international employees, the headquarter manager developed the system, that is follow by the completely international organization. The subsidiary level of the increasing involvement of the IHRM in the personal lives of the international employees becomes very important.

IHRM activities are more influences by the external force rather than domestic HR activities. The equal employee opportunity (EEO) and policies that meet the legal requirements for the both local staff and international employees is made by the headquarter manager.

IHRM practice are helped by the headquarter manager in their policies that is implicated by the international and local staff in the organization. To understands the way of development of employee in the organization on the international level. In this, practices IHRM have to face many responsibilities that is as follow.

People begin to develop their internal attitudes from the moment they were kid. Factors such as the conditions that an individual grows up in affect the <https://assignbuster.com/a-critical-analysis-of-ethical-and-social-issues-in-ihrm-practices/>

way that they see the world. For example if a child is raised in a household with a lot of violence, they might feel that fighting is okay. The beliefs of the peers around you may influence how you see things. It is human nature to want to belong and some are more apt to give into peer pressure. People have a lot in common with their peers due to similar values in the first place. However, it is hard to find two people that feel the same about every situation. Some people would feel that if they found money that they should be able to stick it in their pocket and keep it.

Responsibilities of IHRM

IHRM is mainly responsible for the process of procuring, allocation and effective utilization of human resources in the multinational corporation.

They must have the ability to mix the human resources policies and practices across the number of subsidiaries in different countries so that they achieve corporate objectives.

In the IHRM, practices and approaches must be flexible to take the appropriate decision in a different business and cultural settings.

When the corporation deals with the domestic human resource management, the point of IHRM should be broader, even the most common IHRM activities.

IHRM is responsible for the administrative services for expatriates like selecting, training and appraising local and international employees.

Manages the relation with the host governments of countries around the world

Brewster, C. & Harris H.(2010) International HRM

MAIN BODY

Critical Issues of Ethics-

Managers of the multinational companies are responsible for show their commitment to their employees and the good of the organization. In return, they got promise security of employment career advancement but they do not value the organizational policies. That is creating ethical issues in the organization. The whole scenario is changes after 1980s. Because for job security, lacking of the traditional norms and increasing the “ professionalism” of managerial work.

Ethical issues:

Trust-

Many researchers found that the local staffs are in competed, lazy and not committed for the job.

They also found that many international employees are making up their mind about the local employees that they are not reliable and trustworthy.

The local staffs are not reliable, because they do not take the responsibility seriously.

Ethics and values:

In the organization international employees are do not care about the policies of the organization.

There is great difference between international employees and local staff in works skill manners.

The special attention by the organization, they feel that they are superior and valuable person for the organization. They stop giving respect and value to other local staff and other organizational body.

The local staffs are intermediately role to resolve problems that's relates with corrupt officials and deal with government department.

International employees breach the polices of organization according to their own needs

Attitude and respect:

The international employees are getting the special attention by the organization. They are recognizes as committed employee and trustworthy that is why sometimes they behave like colonial.

They do not give respect to their local staff.

They are not deal genuinely in partnership because of their attitude of their partner.

Work and practices

International workers are very hard working but their approach is bounds because they closely stuck with the policies of organization.

They are not able to make appropriate decisions according to the situation.

On the work place the international employee, force the local staff to do, whatever they want.

International employee ignores the organizational rules and regulation and they poses their own rules on the local staff.

Pay and perks

There is a huge salary gap between the international employee and local staff in INGO's.

The international employees are privileges by high salary with bonus, on the other side the local staff are getting 1/10th part of their salary.

Many international employees are receiving free or subsidized accommodation, education for their children, medical cover and provision of guards and securities.

On the other side, the same position of local staff living in difficult condition with little finance support.

Social issues

In the international organization employees are came from different countries so that their culture and behavior are very different from the local staff. This situation is responsible for the social issues. Following are the social issues:-

Employee:

Policies to avoid drug practice in the organization. In the organization employee are not allows to use smoke and liquor.

Provoke other local employee in the organization. They are not allows to encourages other employee in the organization.

Women are not allows to work in multinational companies

In the international organization, lack of security for the women that's why the are not allow to

Women are not allows to work in the night shifts in the multinational organization.

Language

International employees are come from different country and different culture, so that create language problem with the local people.

Language problem also create communication gap between international employee and local staff.

Culture

Discrimination with the international employees in the international organization

The international employees are different in the behavior and thinking.

Views of different writers

Hope and Hailey (1995): According to them the real issues is not talking managerial skill, but more matter of trust. They think that the level of trust is more in international managers rather then local, that is why they are not taking local staff.

Donaldson's (1989): Influence work into the ethics of international business. He has pointed that our local society has the equal 'right' to get such business that enhance the interest of consumer, employees and stakeholders within the society.

Vance and Pederson (1993): According to them, the international employees had moral responsibilities to train the local employees or worker. Because the duties they perform that is acquired as a business institution in many different countries.

These duties including responsibilities are-

They execute their assignment successfully.

They avoid the discrimination that is base on ethics.

They encourage the local staff as member of equal status.

They provide opportunities to the local staff to enhance their personal growth.

To help the individual, develop useful marketing skill.

Brewster, C. & Harris H.(2010) International HRM

Available at: <http://www.accessmylibrary.com/article-1G1-80932233/introduction-international-human-resource.html>

Conclusion

In the competitive environment, stakeholders create pressure on international agencies and multinational companies for increase dividends. That activity is eloquent concern for social and ethical responsibilities. The multinational companies and international agencies are try to make the most cost-effective and ethical use of all resources. That is the way they manage their international human resource. Recruit the international employee to develop the local marketing talent. While there are obvious constraints on studies of this kind in terms of the limited sample size, the spread of respondent and interpretive biases, the findings all point to the detrimental consequences of the ongoing tensions that exist between local staff and expatriate managers.

The ethical and social issues in the international organization may be resolved by the generating trust, harmony and a sense of common purpose among all the staffs whatever they local employee or international employee. The difference in thinking and behavior of the local and international employee create unproductive work in the organization.

This activity raise the question that the continues use of international employee is both cost-effective and ethical. While there is strongly need have high quality skills and experiences in the complex international organization.

It is sufficient evidence to show that the multinational companies and international organization agencies and IHRM need to invest more in development the skills, confidence and capability in the local staffs.