

# [Business environment assignment](https://assignbuster.com/business-environment-assignment/)

Frequent Introduction of new products or using of first-class technology Is no longer a kind of success for a company or corporation In current business environment. Companies have realized that they must also seek sustaining competitive advantage from the effective management of human resources. That means Human resource managements (HARM) has Increasingly been recognized as a critical segment of international business operations (Hereto, 2010).

Moreover, the more rapid pace of internationalization and globalization leads to a more strategic role for HARM as well s changes in the content of HARM. However, Multinational companies (Macs) often face the challenge of balancing between centralized control of international HARM strategy and responsiveness to local circumstances in term of unit variation in HER policies and practices. Thus, studying about this issue can promisingly bring an interesting and new experience to both IHRAM practice and IHRAM academics.

In fact, although IHRAM is becoming one of the most interesting topics for both practice and science, not many academics research had a sufficient study on the current strategic ramification process In the IHRAM of Macs with regard to the differences In culture between home and host countries; the dynamics of labor markets, and the changes of business environment (I. E changes In Industry and company characteristic), etc, (Rowley C. , 2002).

As a result, there is lack of understanding in the strategic change process in IHRAM of Macs such as the considering for a new strategy from the beginning, knowledge transferring for new IHRAM procedure from headquarter to subsidiaries; or the implementation of the new IHRAM policies in practice, and the evaluation of the process’ effectiveness in the end. This study would like to contribute to business and governance research an interesting experience concerning this issue through the case study about IHRAM transformation of Monika Siemens Networks- Telecommunications Corporation.

Because of the limited sources from the studied companies, the research will mainly focus on the Implementation of the HARM transformation process In NUNS at local level and generally analyze the most significant Improvements In the company’s current HARM strategy after the change. The objective of this research is studying and analyzing NUNS IHRAM strategies during he years and its HARM modal transformation process.

Besides describing and comparing the previous and current approaches of Ann.’s HARM, another main assignment of this research is identifying the role of their local HER departments in supporting the organization to deal with regional HARM issues and how they react with the HARM changed progress Monika Siemens Networks Background Monika Siemens Networks (NUNS) is second largest telecommunications equipment suppliers in the world. It was created as the result of a joint venture between Kinsmen’s COM division and Ionians Network Business Group.

The main products and services of NUNS are mobile and fixed broadband networks; consultancy and managed services; and multimedia technology. Monika Siemens Networks operates In approximately 200 countries worldwide which divided Into seven mall regions: North East, West & South Europe, Greater China, Asia Pacific, India, Middle East & Africa and of the five central hubs around the world. The customer base of NUNS includes 1, 400 customers in 150 countries (including more than 600 operator customers).

Due to the company’s dynamics including the industry context and the development of the many such as company’s expansion in different markets and the increase of its new products and services, this young corporation continuously needs to improve its organizational structure and HARM strategy to gain the effectiveness. Remarkably, the transformation in organizational as well as HARM mode in 2008 has contributed a significant role to the strategic development of the company.

In more details, from 2008, top management has decided to change their organizational form from country- based mode to customer orientation-based mode. It led to the fact that HARM came more centralized to the regional level instead of being mostly decentralized to each of their country subsidiaries like it was in Background of Human Resource Theory: Telecommunications industry- Context, Product Market and Global Telecoms Strategies Context and product market of telecommunication industry During the early sass’s, the telecommunication industry entered into a period of rapid change (Steven, 1996).

The mid- asses was marked by an explosion in demand for new information and communication products and services. From the point of view of the telecoms industry, most important were mobile telecoms services and the Internet. Both created rapid growth in relatively new markets and at the same time generated new business opportunities for responsibilities ( Freshman, 2001).

Since 2000, several major business drivers that fueled the original phenomenal growth include deregulation of telecommunications; high- speed Internet access; IP packet technology; mobile communications services; acquisition strategies and equipment vendor financing CEO, 2003). Global telecoms strategies Multinational corporations in general and telecoms companies are thought to follow three main types of international strategy which are global strategy, multi-domestic tragedy (local responsiveness strategy) and transnational strategy (Permute, 1969, Christian 1995, Ragman 2001).

In global strategy, control is centralized; subsidiaries resemble the parent company and are managed as dependent business. In multi- domestic strategy, control is decentralized; subsidiaries conform to local practices and are seen as an independent business. In transnational strategy, subsidiaries and headquarters alike adhere to worldwide (or regional) standards as part of the organizational network and subsidiaries are managed as interdependent business. International HARM (IHRAM)

IHRAM has defined as the HARM issues and problems arising from the internationalization of business and the HARM strategies, policies and practices which firms pursue in response to the internationalization of business. International HARM was essentially concerned with the six core activities of recruitment and selection, training and development, compensation, performance management, labor relations management and expatriates management. Each activity plays an important role in IHRAM policy (Welch, 1994; Dowling, 1999; Carl, 2001 and Sonata, 2001). Decentralized or Local HARM vs..

Centralized or Global HARM in multinational company Scullion (2000) mentioned the fact that while the nature of global business calls for consistency in There is a fundamental goal for HER to achieve a balance between centralized control of international HARM strategy and responsiveness to local circumstances. Even (2002) suggests that there are three approaches to achieving this aim: centralization, coordination and decentralization. Centralization refers to focusing on activities carried out at global level, and decentralization on activities carried out at local subsidiaries level.

Coordination refers to a middle ground, balancing those activities that would be best be undertaken by local subsidiaries with those managed by global or regional centers. This is dependent on the degree of integration or differentiation desired. Organizations often operate with a global and centralized HARM strategy for top managers and high-potential executives but a more polytechnic and decentralized one for all other employees (Scullion, 2000). Transformation in HARM The HER strategies and policies of an organization interact with its strategic environment, corporate and business strategy often in a complex and recursive legislation.

HARM also becomes a part of the organization to develop the necessary capabilities to enact business strategy (Hereto, 2010). In addition, Norman (1997) argued that in traditional bureaucratic organizations, the human resource function added value by creating systems that produced bureaucratically correct behavior as well as the predictable and orderly development of people and their careers. But the era of traditional bureaucratic organizations is over; stability needs to be replaced by change, innovation, and new organizational designs. This fact represents both a ajar threat and a major opportunity for the human resource function.

If it can create human resource management systems that fit the new organization designs that are appearing, the function can not only survive, it can thrive because it will make a major contribution to organizational effectiveness. Due to the process nature of HARM as well as the lack of rigorous theoretical model, a qualitative case study approach was utilized and following Yin (1994) an embedded single case design was chosen. This implies that one single organization was selected as representative of a mineral phenomenon, here understood to be “ the large contemporary firm, in the midst of developing Knowledge Management initiatives”.

The research indicates the improvement in organizational structure and HARM strategies of NUNS in order to manage more effectively their global business performance and be able to gain the market share among various telecommunications equipment corporations. Conclusion: To sum up, choosing an appropriate global strategy is a big challenge for Macs, especially at the beginning of their globalization. Macs, as a result, might face with the change in their policies to become more sufficient managing the business. That will also lead to the transformation process in HARM for management improvement if needed.

The characteristics of the industry and its product market; the life cycle of the Macs and its affiliates; the features of host country like regulations and culture; and the understanding and loyalty level of employees toward the change in policies may be the main factors that influence the concept of IHRAM transformation. The headquarter HER function will carry out the HARM transformation process in three main steps: contracting with line management for a new role for HER, identifying and developing new HER competencies and redesigning HER work