

# [Human resources management (hrm)](https://assignbuster.com/human-resources-management-hrm/)

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What is the impact of globalization on International HRM? Globalization has the effect of making goods and services more efficient as countries are enabled to capitalize on its comparative advantage (Liberty Fund Inc 2007). It has also significantly removed barriers to trade (tariff and non-tariff) and made the movement of goods, people and capital easier. In effect, it made the world into a smaller global village (www. historyknowji. com nd) as people are now more interconnected making it easier to outsource labor making HRM less complicated and cheaper.
In the case cited, the electronic manufacturing of the world’s leading electronics and information technology companies has sourced out their products to Foxconn which is based in China because of its cheap labor which is the country’s comparative advantage. Cheap labor allows companies to procure the components of their products at a lower cost making their companies competitive and more profitable (The Economist 2008).
There is also another advantage in sourcing out to Foxconn in China although companies would be less eager to admit. This is the relative relaxed and less stringent labor laws in China making that makes the operation of its business less complicated. In the case cited, such suicides and deaths in the workplace would have been unforgivable in the United States, Europe or Japan had these companies did not source their component. These companies would have been embroiled with the regulatory authorities under the threat of lawsuit, sanction and hefty fines. But these incidents are tolerated in China to the advantage of these firms because the HRM function is no longer their responsibility when they outsourced the manufacturing of their components.
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