



Globalization of Human Resource Management

Over the last two decades, the roles and responsibilities of Human Resource Professionals have gone through a tremendous transformation. Globalization has had a major dual impact on Human Resource Management and has caused many challenges as organizations try to globalize their HR functions and practices. Trying to gain a competitive advantage in the global marketplace, impacts every aspect of an HR professional's job function. As multinational corporations face tighter economic cycles, the burden and the opportunities create a much more complex working environment for Human Resource Management. The intense relationship between international trade, communication, geo-political and socio-economic issues in a global atmosphere has created fractured alignments between workforce and business strategy. Both domestic and international organizations identify leadership development as one of the main priorities and thus, emphasize the recruitment process of high-quality workforce and employee retention as a great challenge. International recruitment, selection and staffing policies remain major issues because of the lack of clarity in regards to the implementation of 'best practices' due to internal and external factors, labor laws and policies that each country possesses.

Internationalization of HRM has its own benefits and challenges. International companies have an increased creativity of the workforce, alignment in leadership, strategies and decision making as well as a global wide-reach for products. However, they do face various challenges that come along with the increased diversity, such as the need for continuous development of new strategies for motivating and managing the workforce. They also face a high potential for conflict, misunderstanding or poor performance due to communication gaps or local labor laws that restrict the performance process.

So, how does Human Resources remain effective in a global environment? First of all, HR professionals need to gain a better understanding of their organization's goals and vision in order to create a simplified approach for agility. By understanding this process, they will create an improved alignment between workforce and business strategy that will support the organization as a whole. Secondly, the supply of global talent is one of the major challenges for International Human Resource Management. Moving from 'brick and mortar' to a virtual business setting across borders is an enormous shift on the way we do business today. In today's workplace, Human Resource Professionals are expected to work effectively with people from different countries and in an international context when employers cannot find local suitable candidates. Creating a global geographic footprint and hiring internationally from competitors within the industry has become a common practice. Expatriation and global assignment practices are allowing companies to maximize the skills and diverse talents needed to succeed in a global marketplace. Being an expatriate allows a citizen of a country to work in the company's subsidiary located in another country. However, Human Resource managers should always keep in mind during the hiring process that successful domestic managers are not necessarily successful abroad. Data show that 10%-50% of expatriate contracts fail, either because the process is extremely complicated or because the assignees are not well prepared from a cultural and linguistic communication ability to work and live in the host country.

Moreover, global leaders need a set of characteristics such as having a global mindset with complex cognitive abilities as well as a cosmopolitan outlook and attitude. They also need to be equipped with the right perceptual ability as well as a cultural agility. The expatriation process is a very lengthy and expensive procedure. The benefits packages have to be carefully evaluated and offer the right amount of motivation for someone to relocate in another country. In order to be culturally agile, each team and each employee has to be guided to practice tolerance, cooperation, embrace differences and bridge cultural and language communication gaps. Employees being assigned on international assignments should be encouraged to take advantage of various employee assistance programs and assimilation programs such as cultural training and language instruction to facilitate the transition process.

Next month's topic: Employees are individuals not 'cultures'.